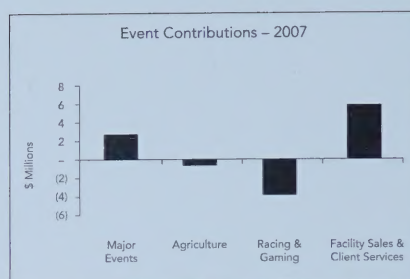
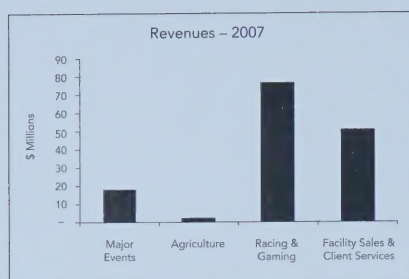


FINANCIALS AT A GLANCE



	Years ended December 31		
	(\$ Thousands)		
	2007	2006	2005
Revenues			
Major Events	17,819	16,724	16,038
Agriculture	2,332	2,490	1,974
Racing and Gaming	76,634	81,574	76,735
Facility Sales and Client Services	50,411	36,327	27,727
	147,196	137,115	122,474
Event Contributions*			
Major Events	2,785	1,892	2,789
Agriculture	(664)	(421)	(520)
Racing and Gaming	(3,850)	(2,811)	(2,955)
Facility Sales and Client Services	5,912	2,737	2,540
	4,183	1,397	1,854
Net Earnings (Loss)			
Major Events	2,625	1,858	2,672
Agriculture	(743)	(444)	(544)
Racing and Gaming	(253)	1,147	431
Facility Sales and Client Services	6,882	3,901	3,679
Other**	(3,698)	(3,119)	(2,278)
	4,813	3,343	3,960
Working capital surplus / (deficiency)	31,160	32,076	(7,498)
Long-term debt (non-current)	2,404	2,537	2,629
Net Assets	37,219	32,407	29,063
Capital expenditures	18,297	9,612	15,069

* before grants, interest and depreciation.

** Indirect grounds and building maintenance, administration and corporate programs, sales and marketing, net grant revenue and other income.

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EXCITEMENT IS WHAT WE DO BEST

For 128 years, Northlands has energized the region with new opportunities in business, agriculture and entertainment. We now host more than 2500 events attracting over 4 million visitors every year to Edmonton, ranking Northlands as one of Edmonton's leading tourism attractions.

Driving the Edmonton region to growth and prosperity is what Northlands is all about as we generate more than \$355 million in direct spending in our community. This impact is felt well beyond our regional borders within the Alberta economy as programs and activities related to Northlands support \$1 billion in total economic impact. Our new facility expansion, PROJECT EVOLUTION.09, will help drive even more growth, contributing approximately \$595 million in the local economy. And, as growth continues, we'll be right here - leading the way in delivering exceptional experiences and opportunities, while making the city of Edmonton and province of Alberta a key tourism destination and hotbed of economic activity for years to come.

Delivering excitement is what we do best. It's what makes us experts at attracting and producing the biggest concerts, shows, and sporting events for our community. It's also why Pollstar Magazine recently ranked Rexall Place, which Northlands owns and operates, 12th in the world, and third in Canada, for arena venues. As our new facility expansion continues to take shape, we'll keep bringing our audiences the very best in sports and entertainment. From incredible headliner concerts and Canadian Finals Rodeo to the Ford World Men's Curling Championships and Farmfair International, Northlands events will continue to offer the best in entertainment, thrilling audiences in the process.

We're also passionate about building a better community. As a not-for-profit community-based organization, we return our earnings to the community through enhanced services and entertainment options. Take a closer look at Northlands, and you'll discover how school children, post-secondary students, athletes and hundreds of non-profit organizations benefit from our programs and partnerships every year.

Mission

To be a recognized leader in providing the best in entertainment experiences and business opportunity as a producer, partner, facilitator and host, while positioning our city and region for greatness and building the prosperity of our province.

Vision

DELIVERING EXCEPTIONAL EXPERIENCES

NORTHLANDS MAKES BIG THINGS HAPPEN

2007 has been an incredibly big year for Northlands. From the excitement of unveiling our facility expansion plans, Project Evolution.09, to international recognition for Rexall Place which ranks 12th in the world for arena venues, Northlands has been making big things happen. World-class entertainment set the stage during Capital EX and Canadian Finals Rodeo. Bigger purses and larger crowds also brought additional excitement to Northlands Park. Outstanding opportunities and live experiences were standard fare in 2007, as Northlands brought the biggest concerts, shows, sporting events, and trade shows to Edmonton.

Financially, 2007 was one of our best years ever. Total annual revenues exceeded \$147 million. But most importantly our net earnings exceeded projections by \$3.9 million with all business areas making strong contributions.

Driving the Edmonton region to growth and prosperity is what Northlands is all about. As a leader in business, entertainment, and agriculture, we generate more than \$355 million in direct spending in our local economy. This economic impact is felt well beyond our regional borders within the Alberta economy as our programs and activities directly and indirectly stimulate more than \$1 billion in total economic impact. We're also committed to building a better community. As the largest not-for-profit community-based organization of its kind, we return all of our earnings to the community through enhanced programs.

We officially launched our facility expansion, Project Evolution.09, in October 2007. With contiguous show space totalling more than 500,000 square feet we will continue to position Northlands as the premier exhibition venue in Canada, west of Toronto.



This year's Capital EX may just be remembered as Edmonton's biggest summer celebration to date. Huge crowds converged on Northlands to take in the Canadian premiere of Walking With Dinosaurs, EXplore Butterflies, and Sip! - our new gourmet food and wine experience. Capital EX drew our third largest attendance to date with 773,000 visitors.

Our own Rexall Place, moved from 36th position in 2006 on the Pollstar Magazine rating of top 100 world-wide arena venues to an outstanding 12th in the world, and third in Canada, for 2007. This clearly validates our position as a world leader in attracting and producing the biggest concerts, shows and sporting events in Edmonton. Led by such international headliner artists as Beyoncé, Billy Joel, Van Halen, Bon Jovi and Eric Clapton, Rexall Place attracted a record number 43 top national and international concerts and family shows in 2007.

From November 7 to 11, 102 cowboys and cowgirls converged on Northlands to vie for their share of \$1.2 million in prize money and championship titles at Canadian Finals Rodeo. The result? Huge ticket sales, wild-west excitement, and the biggest celebration of the industry. When you've created an event that outperforms expectations year-after-year, our challenge is simple: keep making CFR bigger and better.

In 2007, Northlands renewed its commitment to agriculture in a big way. As Canada's largest and long-established agricultural society, we embarked on an exciting chapter in our agricultural story: one that will grow our position and relevance in this industry. This new strategy builds on our roots in livestock events and programming while embracing the future of the industry. This year we did something that has never been done before. We participated in an alliance of the top three livestock shows in the country to increase cross promotion of Farmfair International, Canada's premier purebred cattle show. As a result, Farmfair International was the biggest purebred show of the year with over 1,600 head of cattle and our greatest range of programming since we first introduced this show.

In 2007, Northlands Park hosted 166 race days. This is up from 151 days in 2006. Furthermore, our attendance reached 1.4 million, up from 1.2 million in 2006. The 78th running of the Canadian Derby was an absolute highlight this year. We attracted the biggest crowd ever - twelve thousand fans and our total wager for the day fell just short of \$1 million dollars. In May, we hosted the Edmonton Northlands Hunter Jumper Show, another step in building and diversifying our equine offering.

This year Northlands brought Edmonton to the world as we were host to the 2007 Ford World Men's Curling Championships, setting an all-time attendance record of 184,973 fans in the process. We are pleased to partner with the City of Edmonton, Edmonton Tourism and others to profile Edmonton abroad and to attract the biggest and best in world-class sporting events to our city.

At Northlands our vision is to deliver exceptional experiences, and our future-focused commitment is to do just that. In 2008 and beyond, we will continue to support funding for Project Evolution.09 in order to build a bigger and better future for Northlands. We will ensure that Northlands is in the strongest position to accomplish our goals to continue to create a positive economic and social impact in the Capital region.

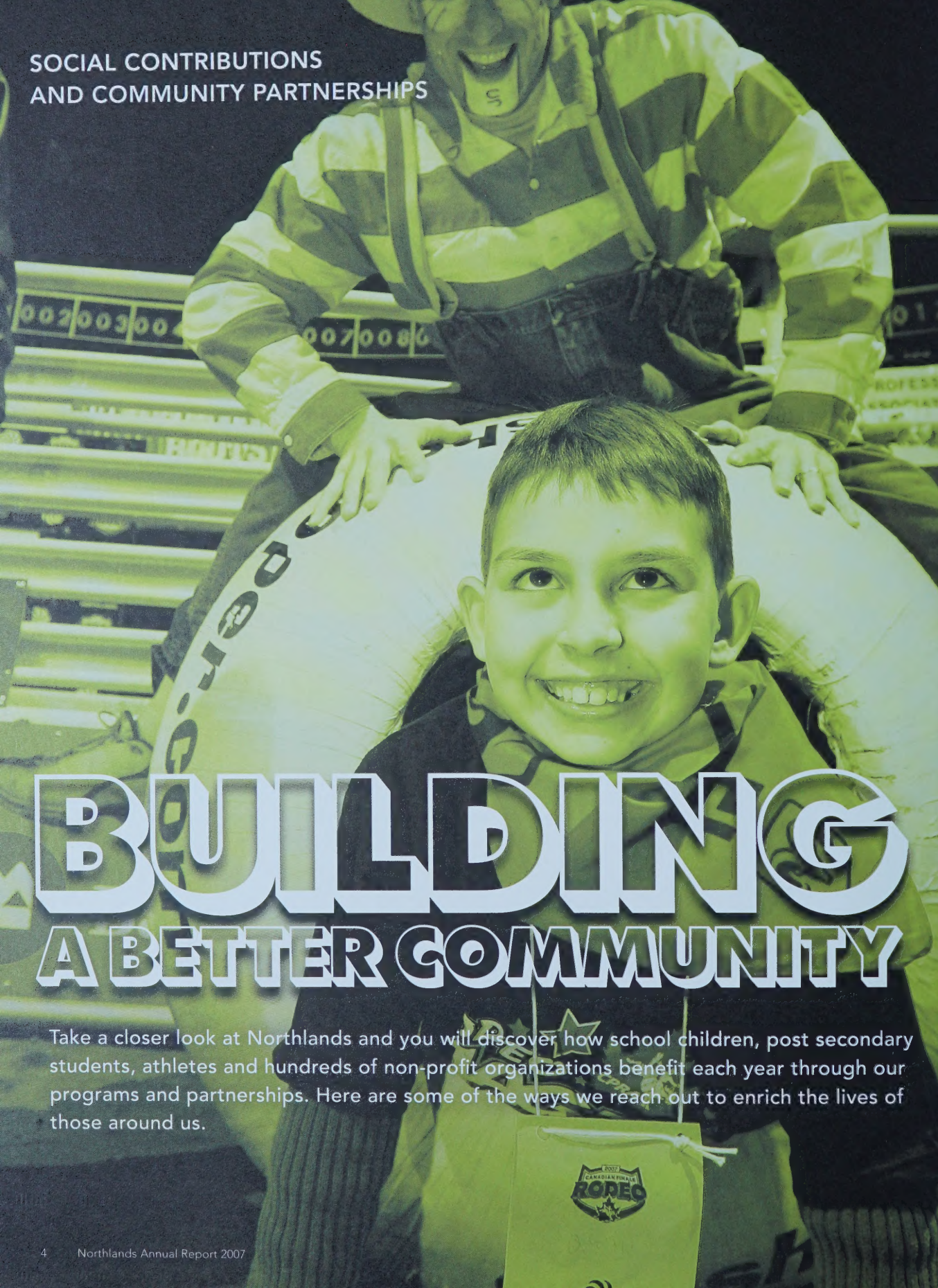
We will continue to deliver successful, relevant and well-attended events including Capital EX, Farmfair International and Canadian Finals Rodeo. We will also continue to build strong relationships with our stakeholders. We will play an integral part in shaping Edmonton's future by taking a lead role in the advancement of a new sports and entertainment complex that will meet the needs of our community. Finally, we will continually emphasize Northlands crucial and ongoing role as a leader in the community in attracting and hosting our region's biggest events.

Northlands would not be able to do all that we do in our communities without our greatest resource - our people - our volunteers and our staff. They are all to be commended for the many contributions they made to our achievements in 2007. Together we are dedicated to providing opportunities for our business partners, entertaining our guests and supporting our community by "delivering exceptional experiences" every day and at every event.

Let us all work together to make 2008 an even a bigger and better year for Northlands.

Jerry Bouma
Chair, Northlands
Board of Directors

Ken Knowles
President



SOCIAL CONTRIBUTIONS
AND COMMUNITY PARTNERSHIPS

BUILDING A BETTER COMMUNITY

Take a closer look at Northlands and you will discover how school children, post secondary students, athletes and hundreds of non-profit organizations benefit each year through our programs and partnerships. Here are some of the ways we reach out to enrich the lives of those around us.



ICE School

An innovative educational partnership between Northlands and the Edmonton Oilers Community Foundation has provided elementary school students an opportunity to move their classroom to Rexall Place for an entire week of study. ICE (In Class Education) School was developed to give students a different perspective on learning. Whether learning how to make NHL ice or exploring the world of agriculture, students come away with a one-of-a-kind educational experience. Northlands staff are integral to the program's success, providing the everyday experiences that contribute to learning during the week. In six years, over 2,900 students in 133 classes have attended ICE School.

Kids Up Front

Northlands has partnered with Kids Up Front to offer kids a sense of discovery, dreams and possibilities – one ticket at a time. In 2007, we provided over 18,400 tickets to a variety of events on our site. The tickets are distributed to kids and their families in the Capital region.

Northlands Educational Endowment Fund

The Northlands Educational Endowment Fund demonstrates the ongoing commitment of Northlands to education in both urban and rural communities. Since its inception in 1982, the Northlands Educational Endowment Fund has helped thousands of students achieve their higher education goals. More than \$800,000 in bursaries and scholarships have been awarded by post secondary institutions in north-central Alberta.

Edmonton Rodeo Cowboy's Benevolent Foundation

We support professional rodeo athletes and their families through our Edmonton Rodeo Cowboy's Benevolent Foundation. Since its inception, the fund has paid out more than \$1 million to 155 athletes.

Alberta's Promise

Creating opportunities for youth is one of Northlands greatest pursuits. As an Alberta's Promise Partner, Northlands participates through Northern Star Talent Search, Country Vocal Spotlight, Monday Morning Magic and Rodeo Magic.

Northern Star Talent Search is north-central Alberta's largest amateur talent competition held each year during Capital EX. The program supports the discovery and development of amateur talent and provides an opportunity for competitors ages five to 21 to showcase their vocal, dance, music or variety skills.

Country Vocal Spotlight is one of Alberta's largest country talent competitions held each November in conjunction with Farmfair International and Canadian Finals Rodeo (CFR). The program supports the discovery and development of amateur country vocal talent.

Monday Morning Magic is a unique, annual event held in north-central Alberta. Children with special needs are given the opportunity to enjoy Edmonton's Capital EX during a morning of free activities designed specifically for them. Many children head straight for the rides where they are assisted by local celebrities, sports teams and the members of the Northlands Board of Directors, each kept busy helping children on and off the rides and signing autographs.

Rodeo Magic is another annual event where children with special needs are given the opportunity to be a 'cowboy or cowgirl for the day' during a morning filled with rodeo activities. The event takes place in the morning prior to the opening CFR performance. Following the event, participants enjoy a complimentary lunch and each 'cowpoke' also receives a western souvenir.

Northlands Neighbours

Northlands is committed to working closely with the diverse neighbourhoods surrounding our site. In 1995, Northlands Neighbours was established to provide an ongoing forum for Northlands and its surrounding communities to interact and discuss matters of mutual concern on a year-round basis. In 2007, we actively participated in the Alberta Avenue Revitalization Initiative, the Borden Park Revitalization Project, and were involved with several other community projects.

GOVERNMENT AND CORPORATE SPONSORS



NORTH 2007

A BIG THANKS TO ALL OUR FRIENDS



Northlands 2007 Government Sponsors

Northlands continues to be a net contributor to federal and provincial agencies. Over the past 10 years, Northlands has generated over \$187 million to these agencies.



Northlands wishes to express our sincere appreciation for the support we have received from the Government of Alberta and the Alberta Lottery Fund. In 2007, Northlands was the recipient of a \$15 million grant courtesy of the Government of Alberta. This grant is in addition to ongoing annual funding provided by the provincial government. These essential funds are used to support Northlands ongoing capital projects, including our facility expansion, PROJECT EVOLUTION.09. Over the past three years, the Government of Alberta has generously invested \$50 million to support our ongoing capital improvements.



Northlands would like to acknowledge the City of Edmonton for its \$2.4 million contribution in 2007. These funds are dedicated toward offsetting the costs associated with the operations of Rexall Place, a facility that attracts national and international events to our city.

Northlands 2007 Corporate Sponsors

Acosta Canada	Calmont Truck Rentals & Leasing	JTI-Macdonald Corp.	Servus Credit Union
Agriculture & Agri-Food Canada	Cattlemen's BBQ Sauce	Kubota Canada Ltd.	Sundown Livestock Transplants
Alberta Agriculture & Food	Children's Ability Fund	Lakeland College	TELUS
Alberta Beef Producers	Children's Education Funds Inc.	Lammle's Western Wear & Tack	The Ranch
Alberta Canola Producers	Chrysler Canada Inc.	Liquor Depot	Top Gear Scooters
Alberta Chicken Producers	Clark Builders	Livestock Xchange On-line	Totem Building Supplies
Alberta Co-Op Taxi Line Ltd.	Cliff's Towing Service Ltd.	Martin Equipment Ltd.	Transat Holidays
Alberta Egg Producers	Coca-Cola Bottling Ltd.	McCain Foods (Canada)	Travel Alberta
Alberta Farrier Supplies	Coliseum Inn	McCuaig Desrochers LLP	UFA
Alberta Milk	Cook County Saloon	Merial Canada Inc.	Unilever Foodsolutions
Alberta Motor Association	Diamond International Trucks Ltd.	Meridian	United Cycle
Alberta Pork	Edmonton Transit System	Molson Canada	Wahl Manufacturing Company
Allan Dale Industries Ltd.	EnCana	Morand Industries Ltd.	West Canadian
Archibald Equine Veterinary Center	EPCOR	Nintendo	Western Canadian Farriers Association
ATCO I-Tek	Gillette	Peace Hills Trust	Western Equine Enterprises Inc.
AXE Music	Homes by Avi (Edmonton) Inc.	Pfizer Animal Health	Wrangler
BMO Bank of Montreal	IKEA Canada	RE/MAX Real Estate	Wyeth Animal Health
Boston Pizza	Jet Label & Tape	Schering-Plough Animal Health	
Budget Rent A Car of Edmonton Ltd.		Sears HOME	

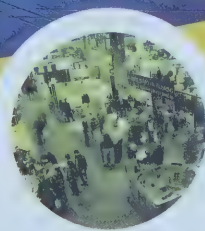
THE BLUER NON-STOP



PROJECT EVOLUTION.09

When it comes to delivering exciting new opportunities and exceptional experiences, we've got big plans. In October 2007, we put our site expansion, PROJECT EVOLUTION.09, in motion to build the biggest and best trade and consumer show venue outside of Toronto. This \$145 million project which includes a \$50 million investment from the Government of Alberta will result in over 500,000 square feet of contiguous show space, securing our position as the premier exhibition venue in Western Canada.

PRINT FOR EXCITEMENT



The completion of PROJECT EVOLUTION.09 will add over 200,000 square feet of new trade and consumer show space, and the ultimate in high-calibre conference and catering facilities. Combine this with our reputation for putting on Edmonton's biggest and best events and it's easy to see why Northlands is the ideal place to make big things happen.

Northlands is proud to be a business leader in Edmonton and a key contributor to boosting the economy in Alberta. Driving regional prosperity is what we are all about. PROJECT EVOLUTION.09 will contribute approximately \$595 million to the economy of the capital region and its completion represents a huge step toward reaching our long-term vision.



BIG FAMILY FUN BIG ENTER

CAPITAL EX

The 2007 edition of Capital EX may just be remembered as Edmonton's biggest summer celebration yet. Huge crowds converged on Northlands to take in the Canadian premiere of Walking With Dinosaurs, EXplore Butterflies, and Sip!, our new gourmet food and wine experience. Midway fans raved about the introduction of Swing Tower and Mega Drop and drooled over deep fried cheesecake and elephant ear sundaes. Concert-goers flocked to ED Fest, loving 'Weird Al' Yankovic, Chantal Kreviazuk, Great Big Sea and Finger Eleven while younger fans giggled through Robert Munsch, the Backyardigans and The Doodlebops.

It used to be that when you thought about exhibitions, you thought about the midway - the rides, the games and hot, sugary mini-donuts. Today, Capital EX is so much more; we've turned this event into a ten-day signature experience for Edmonton.

For Northlands, everything we do incorporates the Think Big idea. The only way to increase our profile is to raise expectations every year and then bring the right team together to bring new concepts to life. In 2007 we challenged ourselves to come up with the best creative ideas, to create big promotions and big buzz. And we intend to do the same in 2008.

Our success in 2007 can be attributed to many factors. First, we gave attendees all sorts of reasons to come to Capital EX and provided them with great value. We convinced the promoters of Walking With Dinosaurs to bring their show to Edmonton one year ahead of

N. BIG VALUE TAINMENT



schedule and introduced the mystifying and interactive EXplore Butterflies as well as the Peking Acrobats, a troupe of China's most gifted tumblers, contortionists, jugglers and gymnasts. We also leveraged the Harry Potter phenomenon by adding the biggest Harry Potter book launch party in Edmonton and enhanced our focus on educational entertainment by creating more interactive experiences for kids and their families through Family Fun Town presented by EPCOR.

Our 2007 Capital EX Northern Star Talent Search winner, Stephanie Savage, went on to win the prestigious Canadian Youth Talent Competition sponsored by the Canadian Association of Fairs and Exhibitions. Previous winners of this national competition include international singing sensation Michael Bublé and multiple stars from Canadian Idol.

Kiyanaw, A First People's Showcase, brought the splendor of Aboriginal arts and culture to Northlands. Crowd pleasing performances from Shane Yellowbird, Tom Jackson and Juno Award winner Mishi Donovan topped off an exhilarating first year for this show. Kiyanaw was made possible through the generous sponsorship of EnCana with support from the Government of Alberta and the Government of Canada.

In 2007 we moved our creative show, Northwest Originals, to the AgriCom, where we could create the right atmosphere to make this craft and artistry show a success in its second year. Sip! came into its own this year too as we turned it into a 10-day culinary and worldly wine exploration that was a huge hit with the media, creating the buzz we needed to capture greater attendance.

Best of all in 2007, we welcomed our third largest attendance to date, seeing significant growth over 2006 with 773,000 visitors contributing \$59.5 million in economic impact to the Edmonton region.



BIGGER

UNFORGETTABLE SHOWS

REXALL PLACE

Any way you look at it, 2007 was a big year for Rexall Place. We made a huge jump on the Pollstar Magazine rating of top 100 world-wide arena venues. We moved from 36th position in 2006 to a banner achievement of 12th in the world and third in Canada in 2007. This achievement validated our position as a world leader in attracting and producing the biggest concerts, shows and sporting events for Edmonton and north-central Alberta.

Determined to take advantage of the booming Alberta economy and the strong position of the Canadian dollar, Northlands put in an intense effort this year to help Rexall Place achieve its tipping point. Leveraging long-term relationships with concert and show promoters, we traveled to New York City, Toronto and Los Angeles to ensure the world knew that Rexall Place, owned and operated by Northlands, was the place to perform in 2007.

Bolstered by an impressive line-up of international headliners like Beyoncé, Billy Joel, Van Halen and Eric Clapton, as well as unforgettable family experiences like the Canadian premiere of Walking With Dinosaurs, we attracted 43 concerts, a record in our building's 33-year history.

STARS

WORLD-CLASS ENTERTAINMENT



We also:

- Broke records for concerts held each month. In July alone we hosted 12, besting our 1977 record of 10;
- Attracted a record number of multiple shows. Tim McGraw and Faith Hill, Keith Urban, Bon Jovi and Nickelback all hosted multiple dates;
- Set a new record for concert attendance with 472,519 fans.

Northlands prides itself on understanding the Alberta marketplace and staging an event like no other. This knowledge and expertise has helped us become the partner for creating memorable events. This year's Walking With Dinosaurs was no exception. Six performances, running concurrently with Capital EX, attracted over 51,000 guests to the biggest show ever held at the venue - 15 full-size dinosaurs, one as tall as 45-feet, filled the space.

The 2007 Ford World Men's Curling Championships broke all attendance records for this event with over 185,000 spectators taking in the nine-day competition. This achievement can largely be attributed to the quality of our venue - we have the best sightlines and curling ice in the world. We recognize that when people are at Northlands, they are no longer students, construction workers, dentists or lawyers - it's their love of the game or music that unites them and we craft the moments where people can connect on this level. That's the big thinking that makes Northlands unique. We're focused on creating experiences and memories, not just raising the curtain for the next big act.

2500 EVENTS. 4 M THE PLA



TRADE AND CONSUMER SHOWS

Creative catering selections like cheesecake lollypops, seafood bars, and potato martini stations alongside dozens of high school graduations, employee appreciation events, tradeshow, expos and two big gift shows helped the Sportex and AgriCom achieve record bookings as well as catering growth in 2007.

These first-rate exhibition facilities and our internationally recognized reputation for operational excellence and customer service, make Northlands a preferred stop for catered events and trade and consumer shows. It's no surprise then that we saw increased traffic again this year.

Our flagship shows remain the Edmonton Motor Show, the Alberta Gift Show and the Home and Garden Show, which celebrated its 40th anniversary in 2007. Next year's Home and Garden Show will be even bigger with the introduction of the Living Green Pavilion, a showcase of environmentally-friendly home products and services.

LLION VISITORS GET TO BE



Our Alberta Gift Show in the spring and fall continued to offer great value to the show's organizer, dmg World Media. Thanks to our innovative approach to provide ample and easy-to-access space in three venues, the AgriCom, Sportex and Rexall Place, over 1,600 exhibitors and 34,000 retailers attended, making ours the second biggest Gift Show in Canada. Buyers came from as far away as Manitoba and British Columbia and we anticipate even greater growth in future years as we are seeing more and more exhibitors traveling to our show from outside the province, some all the way from China.

This year, we also hosted the Oilsands Tradeshow for the first time. Traditionally held in Fort McMurray, the announcement of the show's move doubled the exhibitor base and resulted in their most successful show to date.

One of the highlights of our year, though, was hosting Shell Canada's Employee Appreciation event. Over 600 employees converged on decadent food stations over two nights before enjoying a finale that included a special performance by Blue Rodeo. Catering really took this opportunity to shine, capping off a great year that involved more large and small catered events than any other. To put things in perspective, more than 13,500 meals were served over the holiday season alone.

BIG INDUSTRY



AGRICULTURE

Agriculture is big business in Canada. In Alberta, the agriculture and food industry is larger than oil and gas, so it will come as no surprise that 2007 saw Northlands renew its commitment to this industry in a big way. As Canada's longest established agricultural society, we've been involved for 128 years - we consider ourselves leaders and innovators and are already looking at how we can take advantage of new opportunities that will be created for us through our facility expansion, PROJECT EVOLUTION.09.

In 2007, we embarked on an exciting chapter in our agricultural story: one that will grow our position and relevance in this industry. This new strategy respects our roots in livestock events and programming while embracing the future of the industry. To work toward this vision, we have introduced four pillars that will guide our growth strategy:

- Cattle - provide an opportunity for the Canadian industry to showcase high-quality animals, genetics, products and services;
- Equine - provide an opportunity for events and activities that showcase the equine business, education, competition and entertainment;
- Food and Value-Added - be a supporter and partner by providing opportunities to showcase innovative and industry building opportunities; and
- Technology and the Environment - to support the presentation of emerging scientific and technological agricultural products and services by growing the Northlands Farm and Ranch Show.

Embracing this vision refreshed our approach to agricultural programming in 2007 and had a big impact. This year we did something that has never been done before. We participated in an alliance of the top three livestock shows in the country to increase cross-promotion of Farmfair International, Canada's premier purebred cattle show. As a result, ours was the biggest purebred show of the year with over 1,600 head of cattle and our greatest range of programming since we first introduced this show. Our strategy to use equine events to strengthen our opening weekend along with further program refinements that provided a constant stream of entertainment and business programming from the opening until the final day of the show, proved to be right on target with our Farmfair audience.



7. BIG PLANS


In 2007, as a means to boldly position the technology and environment pillar of our new strategy, we purchased the Alberta Farm and Ranch Show and will unveil the rebranded Northlands Farm and Ranch Show in early 2008. Innovative programming will abound - from the Pedigreed Seed Show to Performance Horse Sale, Western Canada's agricultural community is in store for exciting new features and programming with this show.

Northlands is the Western Canadian venue to showcase the industry and we will look to international markets to bring a global perspective to our agriculture and food programming going forward. In 2007 we identified Argentina as a new market for Farmfair. As part of our cross-promotional strategy, Farmfair, along with The Royal Winter Fair and Canadian Western Agribition, partnered with AgriTours to promote our events to the Argentinean market for 2008. We also increased our presence in the US market and traveled abroad to Scotland and Argentina on trade missions.

Northlands also, for the first time ever, awarded a \$10,000 bonus prize to our Supreme Female Champion Winner, who had already claimed a purse valued at \$65,000 during our Farmfair show in November. Gail and Rob Hamilton's cow-calf pair won Supreme honours at Agribition in Regina, making them the first competitors to win both events and collect the bonus that we created to reward winners who get a double-crown in the same season.

AMAZE-ing Agriculture, our fun and innovative effort to educate children about where food comes from, was an enormous success in 2007. We had over 2,500 children attend with another 2,000 on our wait list, so our priority for 2008 will be to identify a plan to allow for greater participation since this program is a primary vehicle for us to showcase our new agriculture and food strategy. This year's success is linked to our efforts to connect program content with Alberta Education's elementary school curriculum. It's clear we've been successful in producing a school tour of choice through this event.

One of our greatest achievements this year, coming on the heels of breaking attendance records during our Heritage Ranch Rodeo is the evolution of Northlands Horse Power, and, our World Championship Chuckwagon Derby. In 2008 we move from a Canadian tour stop to becoming the World Championship Chuckwagon Derby site until 2010. This is a direct result of our success in securing this as our anchor equine event for the next three years.



ONE OF THE LAST RODEOS

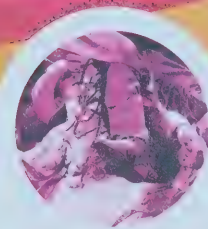
CANADIAN FINALS RODEO

November 7 to 11, 102 cowboys and cowgirls converged on Northlands to vie for their share of \$1.2 million in prize money and championship titles at Canadian Finals Rodeo (CFR). The result? Huge ticket sales, eye-popping action and the biggest celebration of the industry.

In 2007 we introduced five new draws to our already jam packed line up of saddle bronc, bareback, bull riding, steer wrestling, barrel racing and team roping events. This year's CFR included an Edmonton Police Service K-9 Unit demonstration, the Coors Light \$7.75 ticket, the Super Sidekick Pack for a Saturday and Sunday afternoon promotion, award winning entertainment by Asani - an Aboriginal women's trio - and who could forget the thrill of Cowboy Poker.

Once again our stands were filled with pink as cowboys and cowgirls showed their tender side in support of our Tough Enough To Wear Pink promotion. At Northlands, we have learned that aligning our events with a charitable purpose is meaningful to our guests. 2007 represented year two of a three-year commitment to help raise funds and awareness for breast cancer research.

LARGEST INDOOR SHOW ON EARTH



This year also saw us put more focus on marketing and it paid off. Maintaining the devoted CFR fan is crucial, yet Northlands recognizes that gaining new customers will be our ticket to future success. To ensure long-term growth, we introduced a market segmentation strategy that netted the highest ever advance ticket sales. Nurturing the 18 - 34 year old audience, adrenaline sports fans and young families will be a focus in 2008 and will see the introduction of even more new products like cabarets and a family day.

More and more often, rural Albertans are planning their annual vacation around a trip to CFR and Farmfair International. This has a big economic benefit of more than \$60 million for greater Edmonton. The same consideration applies to Dodge City, our western gift show, which celebrated a significant increase in revenue in 2007 thanks to the introduction of a nine-day show.

2007 also marked a format change for our Country Vocal Spotlight, one of Alberta's largest country vocal talent contests. This year we encouraged video entries resulting in a 26 per cent increase in the number of entries over 2006. Video auditions alone jumped from 94 to 119 acts.

In addition to developing the event to attract a younger audience, we will look for more ways to involve corporate Edmonton in CFR. Organizations are looking for hosting opportunities and ways to partner with us, so we will focus on a direct ticket sales strategy over the next two years.

EDGE OF YOUR SE AT THE

NORTHLANDS PARK

More race days, swelling attendance and the highest purses paid. Top this off with a couple of great stories, big renovations and coin-free slots and you have one of the top performing racetracks in North America.

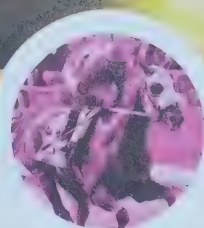
Open 363 days a year, we try to get better with each new day and we are pretty certain this is why our numbers are up. This year we hosted 166 race days, up from 151 in 2006, attendance reached 1.4 million, up from 1.2 million and we paid out purses valued at \$19.8 million, up from \$17.2 million. The icing on the cake? Our total track handle increased by 9.3 per cent to reach \$94.9 million in 2007 (\$86 million in 2006).

At Northlands Park we're continually striving to master the technical components of our business – from having the best sand in our race surface to an emergency equine centre aimed at treating horses right on site. As part of our ongoing efforts to improve in 2007, we focused on key areas where we could increase capacity and enhance the guest experience. We replaced and upgraded over 400 televisions, giving us exclusivity as the only venue offering all LCD technology. We took our suite compliment from two to four by renovating our Director's Suite, where we created a more enjoyable and social environment thanks to a new room flow. And added two more suites, growing our corporate business and giving these partners a seamless experience in our venue. We also revisited our food menu to provide healthier alternatives for guests.

In May, we hosted the Edmonton Northlands Hunter Jumper Show in an effort to diversify our equine offering. This event, considered a warm up for Spruce Meadows, is extremely popular with both race fans and over 600 competitors. Part of our negotiation to move the show from its old venue included a \$31,000 investment in a warm-up ring (cost-shared with the Edmonton Hunter Jumper Association), the temporary set-up of 600 stalls and changes in our regular racing schedule.

The 78th running of the Canadian Derby in August was an absolute highlight this year. First of all, we attracted the biggest crowd ever and then Derby breakfast host and Global news anchor Lynda Steele surprised guests, herself included, by throwing down the gauntlet and

AT EXCITEMENT RACES



challenging co-anchor Gord Steinke to a charity challenge horse race of their own. Twelve thousand fans, our biggest attendance ever, gathered to watch the Derby and 1998 winner Real Simard once again take the title, this time on a horse from Edmonton. The two-year old maiden, Footprint owned by local Derek Milen, Elwin Page and Viking Stables, and trained by Joan Petrowski, shocked and delighted fans as he ran a perfect race from start to finish to beat out Gandolf and Amazin' Blue in a nail-biting final stretch. And if that weren't enough for race fans, the November Celebrity Charities Challenge surely would be.

Three practice sessions alongside well-known horsemen Rod Hennessy (Steinke) and Gerry Hudon (Steele) led up to a serious battle of wills between these two friends and fiercely competitive celebrities. Incidentally, it was challenger Steele who stole the show on Classy Character, winning by two lengths, but it was Alberta charities that really won. Northlands put up a purse of \$10,000 for the head-to-head, one-mile harness racing grudge match. All winnings were split between Steinke's charity, The Kids In The Hall Bistro, which helps troubled youths, and Steele's Alberta Council of Women's Shelters. Televised on Global TV live, the Celebrity Charities Challenge was a big success for all involved.

At the end of the year we kicked off a \$1.7 million renovation designed to further enhance our guest experience. We're removing our banking area to make room for additional slot machines and create a more comfortable lounge space. 2008 will also see a new sports bar on our second level and a state-of-the art horseplayer's area that will rival those found in Las Vegas.

VOLUNTEER APPRECIATION



128 YEARS OF IMPRESSIVE VOLUNTEER TRADITION



2007 marked 128 years of an impressive volunteer tradition at Northlands. Each December, Northlands holds Volunteer Appreciation Night in order to celebrate the wide array of volunteers who provide exceptional service during Capital EX, Farmfair International, Canadian Finals Rodeo and other Northlands events. Without volunteers we could not operate. In 2007, our volunteers contributed in excess of 30,000 hours of service to Northlands programs and events.

Recognizing the ongoing contributions of our volunteers is important to Northlands as we know these dedicated individuals are critical to ensuring our tradition of commitment to the community is fulfilled, now, and into the future.

On December 4, 2007, we bestowed volunteer service awards to recognize our volunteers' achievements and to say thank you for their role in making big things happen at Northlands. The following awards were presented:

CAFE Order of Merit

National recognition for companies or organizations who have given outstanding service or contribution in the form of services, sponsorships, financial aid and promoted the best interests of the exhibition.

For presentation to a firm or organization that has provided outstanding service to a local fair for a period of 5 or more years.

Edmonton Garrison – Canadian Armed Forces

Northlands Achievement Award

Presented to individuals who have, over a period of at least 10 years, provided meritorious service to Northlands events.

Award recipients may include volunteers, staff, suppliers, contributors and consultants.

Eve Comer Gregory Pointe
Dorothy Gregg Leocadia "Leo" Williamson

Northlands Volunteer Award of Merit

Presented to individuals who have provided meritorious volunteer service. No length of service requirement.

Dianne Brandson	Jack Francis	Louise Rogucki
Don Burns	Devin Gray	Shelley Smith
Peggy Burns	Kelly Marples	Rod Walker
Frank Cholak	Derek Panchyshyn	Mike Zelenak
Steve Fedoretz	Irene Plunkie	
Olga Fedoretz	Wilf Robinson	

Northlands Ambassador Award

Presented to an individual or organization in recognition of their outstanding efforts not only to Northlands but to the City of Edmonton and north-central Alberta.

Jane Batty

Northlands Leader of Tomorrow Award

Recognizes the outstanding contributions of the volunteer, involved in Northlands volunteer committees and programs, who is 25 years of age and under.

Alisdair "Al" Gadowsky

Northlands Community Spirit Award

This award is designed to recognize companies and organizations that have made a significant contribution to Edmonton's Capital EX. It provides recognition to companies or organizations that have given outstanding service in the form of services, sponsorships, financial aid, and promoting the best interests of the fair.

City of Edmonton – Transportation Department
Edmonton Police Service

Soaring Out of the Starting Gate Award

Recognizes an individual who goes far above and beyond the normal performance of a volunteer in their first year in a program or event in which they have never volunteered before.

Lloyd Benbow

YEARS OF RECOGNITION

5-year pins

Baird, Douglas
Bennett, Gary
Blake-Leavitt, Daphne
Broda, David
Brown, Richard 'Rick'
Derewynka, Annie 'Ann'
Dunford, Brandi
Dunford, Darren
Elliott, Margaret 'Marg'
Evans, Sharon
Fernandes, Maurice
Frederick, Bonnie
Goggin, Stephen 'Steve'
Herfindahl, Carolynne
Herfindahl, Kenneth 'Ken'
Hilts, Darlene
Jacobs, Judith 'Judy'
Jacobs, Lawrence
Lalonde, Audrey
Langley, Victor 'Larry'
McCarten, Colin
Mercer, Arthur 'Art'

Myhre, Oscar 'Oz'
Pirtle, Arla
Rookes, Dave
Rookes, Gail
Sibbald, Bernard 'Bernie'
Sibbald, Maryke 'Mary'
Taylor, Donald 'Don'
Tchir, Jeanette 'Jayne'
Toma, Jackie
Twarog, Dennis
Wifladt, Elmer
Williams, William 'Bill'
Yankowsky, Julius
Zelmer, Hubert 'Aaron'

10-year pins

Adolf, Elizabeth 'Liz'
Andrews, Chad
Beaulieu, Leona
Coombs, Myrna
Donais, Melody
Falkenberg, Aaron
Forbes, Lois

Gallotti, Tomaso 'Tom'
Hayes, Louise
Kadatz, Barbara 'Barb'
Kehl, Walter
Louis, Peggy
Owen, David 'Dave'
Wedman, Cynthia 'Cindy'

15-year pins

Carstairs, Gail
Friesen, Dwayne
Kisilevich, Lillian 'Betty'
MacPherson, Irma
Stinson, Lorri
Wickham, Douglas

20-year pins

Benbow, Lloyd
Differenz, Valerie
Kmech, Sr., Peter
Lipsett, Thomas "Tom"
Shenfield, Kevin

30-year pins

Duff, Donald 'Don'
Haugen, Frances 'Betty'
Higgins, Joan
Kapoor, Jean
Modin, Nelson
Norby, Reginald 'Reg'
Smith, Leigh

35-year pins

Huntley, Andrew 'Andy'

45-year pins

Maschmeyer, Douglas 'Doug'

OUR VOLUNTEERS

Abercrombie, Blaire
Abercrombie, Linda
Acker, Elizabeth 'Liz'
Acker, Robert 'Rob'
Adams, James 'Jim'
Adams, Janet 'Lynn' ^s
Adams, Robert 'Bob'
Adolf, Elizabeth 'Liz'
Ahlskog, Lois
Albright, Rebecca 'Becky'
Alexis, Jacob
Allen, Robert 'Robb'
Andersen, Dianne
Anderson, Ashley
Anderson, John
Andreeff, Georgina
Andresen, Lillian
Andrews, Chad
Andrushak, Maxine
Annicchiarico, Tracy
Ardiel, Nancy 'Linda'
Armstrong, Beverley 'Bev' ^s
Arnoldussen, Linda

Ashbacher, Darrel
Ashbacher, Wendy
Athaide, Steve
Atkins, Cathlyn
Aubin, Dennis
Awid, Ken ^s
Badowsky, Walter ^s
Bagshaw, William 'Bill' ^s
Baier, Julia 'Julie'
Bailey, John 'Jack' ^s
Baird, Douglas
Baird, Nancy
Bakker, Harvey
Bakker, Pamela 'Pam' ^s
Ball, T. Raymond 'Ray' ^s
Ball, Victoria 'Vicki'
Bannard, Bruce ^s
Barnhouse, Donald 'Don'
Barrie, Ronald 'Ron'
Batty, Jane ^s
Batty, Judith 'Judy' ^s
Bayrak, Jerry
Bayrak, Marion

Beauchamp, Gerard 'Gerry'
Beauchamp, Victoria 'Vicky'
Beaulieu, Leona, ^{s*}
Belanger, Dale
Belanger, Dennis
Belcourt, Virginia
Benbow, Lloyd ^s
Bencharsky, Natalia ^s
Beniuk, Stella
Bennett, Gary
Bentley, David 'Bruce' ^s
Best, Lyle ^s
Bezaire, Elizabeth 'Betty'
Bidlock, R. 'Peter' ^s
Bienert, Douglas 'Doug' ^s
Bienert, Helen
Bijou, Lauraine
Bijou, Robert
Bissett, William 'Bill' ^s
Black, Melissa
Blake-Leavitt, Daphne
Blize, Clint
Blize, Joan

Blume, Marlene
Blumentrath, Ursula
Bodell, Florence 'Flossie' ^s
Bodell, Lorne ^s
Bohn, Judy
Boivin, Gilles
Boivin, Rolande
Boston, Tim ^s
Bouma, Gerben 'Jerry' ^s
Boyce, Jessica
Boyce, Linda
Boyce, Samantha 'Sam'
Bramwell, Lauren
Brandson, Dianne
Brechtin, Beverley 'Bev'
Brewka, Dirk
Broda, David
Brown, Brian
Brown, Richard 'Rick'
Brown, Ross ^s
Brownlee, HLM, James
Brownlee, Jeannette
Buba, Jordan

Buba, Sandra 'Sandy'	Crockett, Donald 'Don'	Farnell, Thomas 'Tom' ⁵	Green, Francis
Buchanan, Donald ⁵	Cronin, Randall 'Randy'	Fedoretz, Olga	Green, Susan
Buchkowsky, Terry	Crowther, Muriel	Fedoretz, Steve ⁵	Greenough, James 'Greg' ⁵
Buddle, Harry ⁵	Cumming, James ⁵	Fedynak, Georgia	Greer, John ⁵
Buffalo, Chrystin	Cunningham, Kenneth 'Ken'	Fedynak, John	Gregg, Dorothy ⁵
Burns, Donald 'Don'	Currie, Dekker	Fehlauer, Alfred 'Fred' ⁵	Greig, Beverly
Burns, Margaret 'Peggy'	Cyre, Clifford	Fenske, Dannielle 'D. J.'	Grotkowski, Lawrence 'Larry'
Burns, Susan 'Valerie'	D'Agnone, Shannon	Fenske, Jacqueline 'Jacquie'	Grundau, Rita
Burns, Terry	Daugherty, Doug ⁵	Fenton, Gail	Haddock, Richard 'Rick'
Bush, Darlene	Dauphinais, David ⁵	Fenton, Loren	Hamilton, Donald ⁵
Bush, William 'Bill'	David, Catherine	Fernandes, Maurice	Hannah, Eileen
Butler, George ⁵	Davies, Kenneth 'Ken' ⁵	Fischer, Robert 'Butch' ⁵	Harding, Barbara
Butler, Patricia 'Pat' ⁵	Davies, Trevor ⁵	Fisk, Jennifer ⁵	Harrison, Connie
Butti, Olivia ⁵	Davison, Linda ⁵	Flamarique, Virginia	Hartfelder, Walter 'Wally'
Byers, Richard ⁵	de Champlain, Patricia	Forbes, Lois	Haudenschild, June
Caine, Robert 'Bob' ^{5,*}	de Champlain, Remi	Forbes, Norman 'Muggsy' ⁵	Haudenschild, Robert 'Bob'
Campbell, Bruce ⁵	de Leon, Leticia	Fouillard, Daniel	Haugen, Frances 'Betty' ⁵
Campbell, Colin ⁵	de Rappard, George ⁵	Francetic, Michael	Hay, Glenn
Campbell, Gary ⁵	Dean, Maureen ⁵	Francis, John 'Jack' ⁵	Hayes, Louise ⁵
Campbell, R. 'Jim' ⁵	Dean, William 'Bill'	Frank, Marguerite 'Max'	Hennig, Calvin 'Cal'
Camrose Regional Exhibition ⁵	Debolt, Deborah	Franke, Herta	Hennig, Rita ⁵
Cardinal, Chesare	Dechaine, Alfred 'Fred'	Fraser, Gabriela 'Gabe'	Henning, W. 'Bill' ⁵
Cardinal, Doreen	Dembinski, Kristina	Fraser, Laura Lee	Herfindahl, Carolynne
Cardinal, Stasia	Denney, Janice	Frederick, Bonnie	Herfindahl, Kenneth 'Ken'
Carlyle, Art ⁵	Denney, Norman 'Norm'	Freeland, Donald ⁵	Herzog, Karen
Carstairs, Cindy ⁵	Derewynka, Annie 'Ann'	Friesen, Dwayne ⁵	Higgins, Joan ⁵
Carstairs, Gail	Devanthey, Stella	Fritz, Ingeborg 'Hanni'	High, Daniel
Carter, Richard 'Rick' ⁵	Differenz, Valerie ⁵	Froese, Aron ⁵	Hiller, Elaine ⁵
Cavanagh, Terrence 'Terry' ⁵	Differenz, Virginia ⁵	Fuhr, Gordon ⁵	Hilts, Darlene
Cherneskey, Russell ⁵	Dixon, Barbara 'Barb' ⁵	Funk, Richard 'Rick'	Hipkin, Darren
Cherney, Dan ⁵	Dixon, Robert	Funnell, Ronald ⁵	Hjelsvold, Randy ⁵
Cholak, Francis 'Frank' ⁵	Donais, Melody	Gabert, Sharon	Hoffman, Dolores
Chomiak, John ⁵	Doolittle, Douglas ⁵	Gabert, Valentina	Hogle, Bruce ⁵
Chopp, Doreen	Doran, Jillian 'Jill'	Gable, Suzan	Hole, Harry ⁵
Chow, Rosie	Downey, Brenda	Gadowsky, Alisdair 'Al'	Hollands, Daniel 'Dan' ⁵
Chriest, Jean ⁵	Drouin, Jenny	Gadowsky, Laura ⁵	Holte, Warren ⁵
Christiansen, Donald ⁵	Dubois, Louise	Galliford, Shirley	Hoover, Azucena 'Bebe'
Clark, Alyssa	Dubois, Richard 'Rick'	Gallotti, Tomaso 'Tom'	Howell, Lorne ⁵
Clark, Gary ⁵	Duckett, Ruth	Galloway, James 'Jim'	Hughes, George ⁵
Clarke, C.M., Donald ⁵	Duff, Donald 'Don' ⁵	Gamble, Tara	Hume, Robert
Clarke, Jesusa 'Susie'	Duggan, Neil ⁵	Gamroth, Denise	Hunt, William 'Don' ⁵
Clipperton, Donald ⁵	Dunford, Brandi	Gamroth, Ernie	Huntley, Andrew 'Andy' ⁵
Clipperton, Karen ⁵	Dunford, Darren	Garvey, Randell 'Randy'	Huntley, Jennifer
Coatta, Donna-Rae	Dunham, Jacqueline	Gibbon, Carole	Huntley, Susan 'Sue'
Cole, Dale ⁵	Dunk, Elton ⁵	Gibbon, Robert 'Bob' ⁵	Hutchison, Keltie
Collins, Darlene	Dunn, Marlene	Gillespie, James 'Jim' ⁵	Ivankovich, Ivan ⁵
Collum, F. 'Elaine'	Dunnigan, Patrick	Gillespie, Reginald 'Reg'	Jackson, Donald 'Don' ⁵
Comer, Eve	Eagles, HLM, Stewart ⁵	Gilroy, Stuart 'Gord' ⁵	Jacobs, Judith 'Judy' ⁵
Connelly, Gerald 'Gerry' ⁵	Elliott, Margaret 'Marg' ⁵	Gisler, Merna	Jacobs, Lawrence ⁵
Connelly, Glenn ⁵	Elzinga, Peter ⁵	Goggin, Stephen 'Steve'	James, Kerry
Coombs, Myrna	Emerson, Leroy	Gorda, Arthur	Jansen, John
Copeland, James 'Jim'	Erker, Dennis ⁵	Gordeyko, Allan ⁵	Jarvis, James
Cribb, Daniel	Ethier, Romeo	Gordeyko, Bernice ⁵	Jarvis, William ⁵
Crier, Beverly	Evans, Sharon	Graham, Karen	Jefferson, Gary
Crier-Rahaman, Sherina	Ewanchuk, Marie	Graham, Keith	Jer, Howard
Cripps, Charles ⁵	Ewanchuk, Nick	Graham, Stephen 'Steve' ⁵	Jewett, J. 'Hilary' ⁵
Cripps, Shirley	Falkenberg, Aaron ⁵	Gray, Devin	Johnston, Anita

Jones, Bryn	Leschiutta, Dale ⁵	McBain, Mark	Oberik, Doreen
Jones, Elaine ⁵	Lewis, Irene 'Maria'	McBain, Neil ⁵	Ohe, Mark ⁵
Kadatz, Barbara 'Barb' ⁵	Lewis, Janet	McBurney, Derek	Olsen, Lawrence 'Buck' ⁵
Kaminesky, Lillian 'Lil'	Lewis, John 'Ken' ⁵	McCarten, Colin ⁵	Osborne, John ⁵
Kaminski, Wesley 'Wes'	Lightning, Herbert 'Brian'	McClellan, HLM, Shirley	Ottewell, Lorne ⁵
Kapoor, Jean ⁵	Linder, Kathleen 'Kandie'	McDonald, Barry ⁵	Owen, David 'Dave'
Kashuba, Scott ⁵	Linklater, Frances 'Fran'	McDonald, John	Owen, Marion
Kay, Donald	Lipon, Delores	McDonald, Joseph 'Joe' ^{5*}	Owen, William 'Bill' ⁵
Kearl, Sharon	Lipon, William 'Bill'	McDonell, John ⁵	Ozipko, Cassie
Kehl, Walter	Lipsett, Thomas 'Tom' ⁵	McDougall, John ⁵	Packford, Guy ⁵
Kelker, Henriette	Lipsett, Wayne ⁵	McEwen, Rosemary	Page, Gail ⁵
Kellett, Dave	Littmann, Lynda	McGhan, Bruce ⁵	Page, John 'Roger'
Kelly, Beverley 'Bev'	Livingstone, Sidney	McGhan, Marilyn	Pageé, Bernice
Kenyon, Annita	Lore, Sally ⁵	McKinnon, Courtney	Pageé, Rene
Kerr, William 'Bill'	Loree, Betty ⁵	McKinnon, Malvena	Paisley, Loretta 'Lorry'
Kerr, Yvonne 'Irene'	Louis, Peggy ⁵	McLaughlin, Diane	Panchyshyn, Derek
Kinash, Victoria 'Vikki'	Lovig, Frieda	McPhee, Andrew	Papworth, Sarah
King, Samantha ⁵	Lovig, Grant	Meakin, Anna ⁵	Park, Diana
Kingston, Harold ⁵	Lucas, Daneve 'Danny'	Mears, Deborah	Parker, Deanna 'Dianne'
Kisilevich, Lillian 'Betty'	Luchak, Alexander 'Alex'	Melnichuk, Janice	Parsons, Alan ⁵
Kisilevich, Orest	Luchak, Clara 'Sue'	Melnichuk, Patricia 'Pat'	Patriquin, Gordon ⁵
Kiss, Jim ⁵	Lukanuk, Olga	Mercer, Arthur 'Art'	Paul, Larry ⁵
Kittlitz, Marilyn	Lupui, Allen	Meroniuk, Lorraine	Paul, William 'Bill'
Klapstein, Earl ⁵	Lupul, Juliette 'Julie'	Mildon, Edward 'Lloyd' ⁵	Paull, Helen ⁵
Klein, Darren	Ly, Diana	Miles, Marianne ⁵	Pawelek, Rooth ⁵
Kmech, Sr., Peter ⁵	Lyster, Patric	Miller, Gladys ⁵	Pearse, Brian ⁵
Knight, Cherie	MacDonald, Dane	Miller, Janice 'Jan'	Pearse, John 'Jack' ⁵
Kobie, Franklin 'Frank' ⁵	MacDonald, George ⁵	Miller, Wilfred 'Walter'	Pearson, Duncan
Kokotilo, Louise	Mack, William 'Bill' ⁵	Milligan, John	Peden, Ian
Kolewaski, Jeannette	MacKenzie, Cheryl	Milliken, Norman	Pedersen, George ⁵
Kolmas, Janice	MacKinnon, Annette	Misura, Joseph 'Joe'	Pedersen, Harry ⁵
Kolmas, June	MacKinnon, Daniel 'Dan'	Mitchell, Johanna	Peeters, Laurel
Korchinsky, Ernie ⁵	MacLean, James 'Jamie' ⁵	Mitchell, Jones	Pennock, D. 'Bruce' ⁵
Kotelko, Peter 'Bern' ⁵	MacPherson, Irma ⁵	Mittelstadt, Lovella	Perry, Burke ⁵
Kowalczyk, Brandon	MacPherson, Neil	Modin, Nelson ⁵	Peters, John
Krause, Daryl	MacPherson, Sharon	Moffatt, Sharon	Peters, Marlene ⁵
Krause, Shirley	Mader, Jillian	Mohler, Mildred 'Lee'	Peterson, Mary Ann
Krupp, Judith	Magee, Sarah	Money, Glenda	Petkau, Brian
Kuhn, Dianne ⁵	Mah, Robin ⁵	Monk, M. Lloyd ⁵	Petruchik, Stephanie
Kuhn, Ronald ⁵	Majeau, Victor	Montgomery, Douglas ⁵	Phillips, Wendy
Kumpula, Bryanna	Mandryk, Ruby	Moren, Crystal	Pietsch, Edwin 'Ed'
Kurash, Shey	Marko, Ronald 'Ron'	Moser, Charles 'Chuck'	Pietsch, Leona
Kyle, Sandra 'Sandy'	Marler, Reg ⁵	Mosher, Kimberly	Pirtle, Arla
LaFleche, A. Bryan ⁵	Marples, Kelly ⁵	Mulcair, John	Plaizier, Peter 'Pete' ⁵
Laliberte, Mary	Marples, Michael 'Mike' ⁵	Nelson, Allyn	Playdon, Katherine 'Kathy' ⁵
Lalonde, Audrey	Marshall, Dorothy	Nelson, Rita	Plunkie, Irene
Lang, Judy	Marshall, Robert 'Bob'	Nelson, Shirley ⁵	Pointe, Gregory 'Greg'
Langley, Victor 'Larry' ⁵	Martin, Patricia 'Pat'	Newman, Clarence ⁵	Poon, Cathy
Laskey, Nancy	Martinuk, Eugene 'Gene' ⁵	Nickel, Harry	Pope, Shaun
Lastiwka, Alexandra 'Sandra'	Martyn, Audrey ⁵	Nicoli, Marlene	Posthuma, Marie 'Elaine'
Lastiwka, Michael 'Mike'	Martyn, John ⁵	Nicoll, William 'Dave' ⁵	Prefontaine, Colleen
Latour, Frank	Maschmeyer, Douglas 'Doug' ⁵	Nonay, David	Prefontaine, Jordan
Leavitt, Sylvan 'Ray' ⁵	Maschmeyer, Evelyn 'Lloy' ⁵	Nonay, Wanda	Preshing Sr., William 'Bill' ⁵
Lee, Aaron	Maschmeyer, Gerald ⁵	Norby, Reginald 'Reg' ⁵	Prestage, Robert 'Bob' ⁵
Lee, Nancy	Masters, Barbara	Nott, Kenneth 'Ken'	Price, Charlotte
Leicht, Betty	Matichuk, Andrew 'Andy' ⁵	Nott, Nicole	Price, James 'Jim'
LeLacheur, Rick ⁵	McBain, Allan 'Ross' ⁵	Nysetvold, Trevor	Pullishy, Paul 'Roger'

Pullishy, Sonia	Sheard, Glenda ⁵	Thomas, Marilyn	Wick, Donna
Purdy, William 'Bill' ⁵	Shenfield, Allan ⁵	Thomas, Warren ⁵	Wickham, Douglas ⁵
Pysh, Diane	Shenfield, Kevin ⁵	Thut, Vivian	Wickham, Sharon
Quaife, Sharon	Sherren, Julianna	Tober, Glennis	Widney, Mark ⁵
Quilala, Bernard	Sherren, Louis 'Lou'	Toma, Jackie	Wifladt, Elmer
Ramsey, John ⁵	Shields, Nancy	Tsoukalas, Theresa 'Tree'	Wilkes, Annette
Rasmussen, Annie 'Anne'	Sibbald, Bernard 'Bernie'	Turin, Mary	Wilkes, Gregory 'Greg' ⁵
Reaville, Audrey	Sibbald, Maryke 'Mary'	Turko, Daniel ⁵	Wilkes, Penelope 'Penny' ⁵
Reaville, Royal 'Roy'	Sime, Carol ⁵	Turko, Patricia 'Patti'	Williams, Janice
Reid, Sandra 'Sandy'	Skelly, William 'Bill' ⁵	Turner, Barbara ⁵	Williams, Kimberley 'Kim'
Reid, Shelley	Skoreyko, Alan ⁵	Turner, Mary	Williams, William 'Bill'
Reinhardt, Barry	Skoreyko, Dale	Twarog, Dennis	Williamson, Leocadia 'Leo'
Rife, George ⁵	Skoreyko-Borchert, Ronda	Tweddle, John ⁵	Wilson, C. Gordon ⁵
Rigney, Reed ⁵	Skripitsky, Rose 'Alice'	Tymchuk, Karen	Wilson, Melanie ⁵
Roadhouse, Katie 'Kay'	Skrypnek, Dennis	Tymchuk, Michelle	Windwick, Frederick 'Fred' ⁵
Roberts, Mary 'Lynn'	Skrypnek, Frances 'Fran'	Van Brabant, Carlene	Windwick, John ⁵
Robinson, Angele	Sliwa, Elizabeth 'Liz' ⁵	Van de Walle, Walter ⁵	Wirsta, Kevin
Robinson, Garrett	Smart, Else	Van Vliet, Daniel	Witham, Jill
Robinson, Jeffrey 'Jeff'	Smith, Darryl ⁵	Vander Veen, Nolene	Wood, Jennifer ⁵
Robinson, Marcel	Smith, James 'Jim'	Vandermeer, Cornelis 'Casey' ⁵	Woodman, Bruce
Robinson, Wilf	Smith, Leigh ⁵	Vandermeer, Gerrit 'Jerry' ⁵	Wosar, Kristin
Roeleveld, Valerie 'Val'	Smith, Lesley	VanRiper, Sandra 'Sandy'	Wrubleski, Jason
Roeske, Murray ⁵	Smith, Shelley	Vegreville Agricultural Soc. ⁵	Yacyshyn, Greg
Rogucki, Louise	Sneddon, Carl	Verlinde, Patrick 'Pat'	Yakimchuk, Margaret
Rogucki, Terry	Southwood, Alan 'Dale'	Victoor, Rene	Yakimyshyn, Eugene 'Terry'
Ronaldson, David 'Dave' ⁵	Spence, Gloria 'Judy'	Vollema, Shannon	Yankowsky, Julius ⁵
Rookes, Dave	Spence, Philip	Wagner, Tyson	Yaremko, Boris ⁵
Rookes, Gail	Spiller, Thomas	Wakefield, Gregory	Yaremko, Teresa ⁵
Rookes, Terri-Jo 'T.J.'	Sprague, Donald ⁵	Walker, Robert 'Bob' ⁵	Yee, Tony
Rookes, Trina	Sprague, Kenneth 'Ken' ⁵	Walker, T. J. 'Rod'	Yewchuk, Luba 'Lil'
Ross, James 'Jim'	St. Jean, Leanne	Walker, Wayne	Yim, Su Jin
Rutherford, Jack ⁵	Stadelman, James 'Jim'	Wards, Shona	Youck, Robert 'Ted'
Sampert, Raymond 'Ray' ⁵	Stark, Doris	Warring, Doug	Youck, Robert 'Ted' ⁵
Sanders, Doris	Stark, Orville	Warring, Molly Anne ⁵	Young, QC, Eric ⁵
Sarafinchan, O. 'Ollie'	Stevens, David	Watt, J. Angus ⁵	Yu, Nancy
Savage, Frances 'Fran' ⁵	Stevenson, Orville *	Webb, Micheal ⁵	Yuen, Gerald 'Gerry' ⁵
Schmermund, Donnie 'Don'	Stevenson, Patricia 'Pat'	Webber, Garry ⁵	Yurkiw, Laurence 'Larry' ⁵
Schmidt, David	Stewart, William 'Bill' ⁵	Weber, Walter ⁵	Zelenak, Michael 'Mike'
Schmidt, Lois ⁵	Stinson, Lorri	Wedman, Cynthia 'Cindy'	Zelmer, Hubert 'Aaron'
Schneider, Wendy ⁵	Stoby, Jennifer 'Laura'	Weir, Eva	Zerr, Philip
Schroder, Liesa	Storrer, Kelly	Weir, Howard ⁵	Zilinski, Judy
Schultz, Cheryl	Storrer, Rosemarie 'Rose'	Weir, Mahlon ⁵	Zilinski, Theodore 'Fred' ⁵
Schultz, Edward 'Ed' ⁵	Stroh, Joan	Weishaar, Jimmy 'Jim'	Zimmerman, Carol
Schur, Alexandra 'Sandy'	Sutherland, William 'Bill' ⁵	Weishaar, Loretta 'Lori'	Zylstra, John ⁵
Sciur, QC, Gary ⁵	Symic, Ronald 'Ron' ⁵	Wengreniuk, Crystal	Zylstra, Shirley
Sebastianelli, Ricardo 'Rico' ⁵	Szoradi, Karin	Wengreniuk, Garrett	
Sedgwick, Laura Ann	Szott, Benedict 'Ben'	West, Elana	Members hold voting shares, which cannot receive any dividends nor appreciate in value. Shares cannot be held by persons south of Township 34, or in estates of deceased members.
Sedgwick, Timothy 'Tim'	Szott, Patricia 'Pat'	West, Gerry	
Segin, Margaret 'Marg'	Szumlas, Frank 'John' ⁵	West, Gordon	
Seiersen, Christian 'Chris' ⁵	Takacs, Piroska 'P.J.'	West, James Tyler 'J.T.'	
Sellick, Linda	Tanton, Victoria 'Vicki'	West, Jason	
Semotiuk, John	Taylor, Donald 'Don'	West, Lillian 'Lil' ⁵	
Semotiuk, Nick ⁵	Tchir, Jeanette 'Jayne'	West, Terry 'T.J.'	
Sept, Kevin	Terry, Suzanne	Westbury, Robert 'Bob' ⁵	
Sept, Leanne	Tetreau, Joseph 'Joe'	Westerner Exposition Assoc. ⁵	
Shanley, Catherine 'Cathy'	Thatcher, Kenneth ⁵	Weston, Judith 'Judi' ⁵	
Shaw, Karen	Thom, Barbara	Whiting, Trent	

⁵ Shareholder

* Deceased

VOLUNTEER BOARD OF DIRECTORS



Doug Bienert

Volunteer since 1973 | Member since 1973
Director since 1998

Doug Bienert is an agricultural consultant with a 34-year background with Alberta Agriculture where his work focused on 4-H initiatives, international marketing and animal industry issues. Mr. Bienert is currently the director of the Edmonton Old-timers Baseball Association, was both director and secretary of the Alberta Holstein Association, and is a founding member of both the Millet and District Agricultural Society and the Millet Lions Club.



Jerry Bouma, Chair

Volunteer since 1993 | Member since 1995
Director since 1999

Jerry Bouma is a partner of Toma and Bouma Management Consultants, which specializes in the provision of strategic and business planning services to the agri-food industry. Mr. Bouma currently serves as board chair, and is a member of the Executive Committee, Finance and Audit Committee, Facilities Planning and Development Committee and the Agriculture Strategic Planning Committee. He has chaired a number of committees including Racing and Gaming, Nominations, Shares, and Volunteer Coordinating. He is a member of the Canadian Agri-Marketing Association and the Alberta Food Processors Association.



Rick Carter

Volunteer since 1995 | Member since 2002
Director since 2002

Rick Carter is president of Cartermedia Communications, an Edmonton-based advertising agency. Mr. Carter has been involved with a variety of community boards including the Royal Alexandra Hospital Foundation (Past Chair) and Phoenix Theatre, and is currently a Board Member for Horse Racing Alberta and President of the Edmonton Football Officials Association.



Don Clipperton

Volunteer since 1995 | Member since 1998
Director since 2007

Don Clipperton is the owner-operator of Seat Cover Centre Ltd. Mr. Clipperton is involved in the equine industry and has extensive volunteer experience in this area. He is a founding member of the Alberta Team Cattle Penning Society and is also a trainer for 4-H equine clinics.



Barbara Dixon

Volunteer since 1999 | Member since 2002
Director since 2003

Barbara Dixon owns and operates a purebred shorthorn and commercial cattle operation with her two sons. Ms. Dixon is the past facilitator and review committee member with the Alberta Environmental Farm Plan Company. She is also past director of the Alberta Shorthorn Association, the past assistant general leader of the Manville Multi 4-H Club, and Northeast regional representative with the provincial 4-H heifer show.



Peter Elzinga

Volunteer since 1994 | Member since 1994
Director since 1995 - Term completed July 2007

Peter Elzinga is the former chief of staff to the Office of the Honourable Ralph Klein, a position he held February 1998 up to his retirement in March 2004. He also served 12 years as a member of parliament and 8 yrs as MLA. Mr. Elzinga is a member of the Edmonton Chamber of Commerce and served as a director on the 2001 World Games Legacy Foundation.



Aaron Falkenberg

Volunteer since 1997 | Member since 1998 | Director since 2001 - Term completed April 2007

Aaron Falkenberg is a retired poultry farmer. He is the former chair of Alberta Chicken Producers, and of Growing Alberta, an agricultural and food industry awareness program. Mr. Falkenberg also serves as chair of the Agricultural Value-Added Corporation.



Jennifer Fisk

Volunteer since 2004 | Member since 2006
Director since 2006

Jennifer Fisk is president of Freestone Integrated Communications Ltd. Ms. Fisk is currently the director responsible for Agriculture and Food. She is an active member of the community, serves as director of the Downtown Farmers' Market Association, and has participated on several boards and committees, including the National Agricultural Awareness Conference Committee and Credit Counselling Services of Alberta.



Laura Gadowsky

Volunteer since 1993 | Member since 1995
Director since 2003

Laura Gadowsky is a certified meeting planner and president of Gadowsky Special Event Management specializing in corporate and government meetings, symposiums and sporting event operations. Ms. Gadowsky is currently the director responsible for Edmonton's Capital EX, serves on the Executive Committee, and as Chair of the Edmonton Rodeo Cowboy's Benevolent Foundation.



Steve Graham

Volunteer since 1995 | Member since 2001
Director since 2005

Steve Graham is a systems analyst who serves as Chair of the River City Roundup Committee. He is a founding member of the Edmonton Spirit Show Band and has served on numerous maritime exhibition associations and societies. Steve has been an active volunteer for Canadian Information Processing Society, the International Triathlon Union World Cup, Canada Winter Games and the East Coast Music Awards.



Andrew Huntley, First Vice-Chair

Volunteer since 1972 | Member since 2002
Director since 2002

Andrew Huntley is an investment portfolio manager specializing in commercial real estate. He currently serves as First Vice-Chair of the Board, serves on the Executive Committee, Finance and Audit Committee and is Chair of the Volunteer Coordinating Committee. Mr. Huntley is active in his community and has served as a board member for the Capital Health Authority, a trustee for the University of Alberta Hospital Foundation, and was a founding director of the Real Estate Council of Alberta.



Leah Jones

Volunteer since 1995 | Member since 2001
Director since 2002 - Term completed June 2007

Leah Jones works on the strategic marketing team for UFA Co-operative Ltd. and is also a purebred cattle producer. She is a past president of the Alberta Simmental Association, and holds a Bachelor of Science degree in Agriculture from the University of Alberta.

**Scott Kashuba**

Volunteer since 2004 | Member since 2006
Director since 2008

Scott Kashuba is the senior manager of the Government of Alberta's Agency Governance Secretariat. He is currently chair of the government's Management Employees Pension Plan Board and chair of the Excel Society board of directors, a provincial not-for-profit organization providing support for adults with disabilities. Scott is the former chair of the MacEwan College Alumni board.

**Harold Kingston, FCA**

Volunteer since 2000 | Member since 2000
Director since 2001

Harold Kingston is a partner of Kingston Ross Pashak LLP, one of Alberta's largest independent chartered accountancy firms. Mr. Kingston serves on Executive Committee and chairs the Finance and Audit Committee. He has in-depth experience in governance and strategic planning, particularly with respect to matters concerning non-profit organizations. In addition to serving on numerous community boards, Mr. Kingston is a fellow of the Institute of Chartered Accountants of Alberta (ICAA), is on the Board of Governors and is chair, Finance Audit Committee for MacEwan College.

**Earl Klapstein**

Volunteer since 1992 | Member since 2002
Director since 2006

Earl Klapstein is a partner and manager of Eddie's Men's Wear, a family-owned Edmonton business. Mr. Klapstein is currently the director responsible for Canadian Finals Rodeo (CFR) and is the Northlands board representative for the CFR Commission. He is a founding member and past-president of the Old Strathcona Business Revitalization Zone, chair of membership for the Synergy Network, and a long-time volunteer at Northlands.

**Burke Perry**

Volunteer since 1970 | Member since 1985
Director since 1996-99, 2007

Burke Perry is president of Burke Perry Master Builder Inc. and LOOK Homes Inc. Mr. Perry is Chair of the Facilities Planning and Development Committee. He is also the chair of the Alberta New Home Warranty Program, past director of Kids With Cancer Society and past president of both the Edmonton Region Home Builders' Association and Canadian Home Builders' Association - Alberta.

**Wendy Schneider**

Volunteer since 1994 | Member since 1994
Director since 1998

Wendy Schneider is a rancher overseeing an extensive family-owned purebred Black and Red Angus cattle operation. Ms. Schneider is also a strong supporter of agricultural youth activities and plays a lead role in many 4-H and junior livestock events in her community.

**Bob Walker**

Volunteer since 1987 | Member since 1988
Director since 2007

Bob Walker is vice-president of Ledcor Construction Limited, one of the most diversified construction conglomerates in North America. Mr. Walker is a board member of the Edmonton Airport Authority and the Citadel Theatre. He has also served on numerous boards including the Edmonton Downtown Development Corporation, NAIT and the Edmonton Eskimos.

**Melanie Wilson**

Volunteer since 2001 | Member since 2002
Director since 2005

Melanie Wilson is a television sales executive and member of the Canadian Thoroughbred Horse Society. She is also a member of the Horseman's Benevolent and Protection Association.

**John Windwick, Second Vice-Chair**

Volunteer since 1997 | Member since 1997
Director since 2000

John Windwick is the vice-president, Operational and Strategic Initiatives, Personal and Business Financial Services at ATB Financial. Mr. Windwick currently sits as Commissioner for Canadian Finals Rodeo, serves on the Executive Committee, Finance and Audit Committee and chairs the Public Relations Committee. He is active in the community and volunteers for groups including the 65 Roses Sports Committee, Kinsmen Club of Edmonton, Lambda Chi Alpha Fraternity, World Masters Games, Alberta Lung Association, and the TELUS Edmonton Open.

Community Appointments

**Judy Batty**

Volunteer since 2001 | Member since 2002
Director since 2007

Judy Batty works in the marketing and communications department for United Way. Ms. Batty is an active volunteer in the community and serves as chair for Monday Morning Magic and Black Tie Bingo. She is also an active member of the National Cutting Horse Association where she competes with her horses.

**Lyle Best**

Volunteer since 2003 | Member since 2003
Director since 2004

Lyle Best is president and CEO of Quickcard Solutions Inc. Involved in the employee benefits industry for almost 30 years, Mr. Best also serves on numerous community and corporate boards, including the Royal Alexandra Hospital Foundation and the Edmonton Oilers Community Foundation.

**Randy Garvey**

Director since 2005 | Volunteer since 2005

Randy Garvey is an executive vice president with the Canadian Western Bank. He has extensive experience as a senior executive in the public sector having held positions with WCB-Alberta and the City of Edmonton. Randy's volunteer activities include sitting on the boards of Certified Management Accountants of Alberta and the Edmonton Chartered Financial Analyst Society.

**Howard Weir**

Volunteer since 1996 | Member since 1996
Director since 1996

Howard Weir is an Edmonton Transit operator. Mr. Weir is involved in his community and served as president of the Montrose Community League for nine years.

VOLUNTEER BOARD OF DIRECTORS

Directors Representing the City of Edmonton



Coun. Bryan Anderson

Volunteer since 2001 | Director since 2001 – Term completed October 2007

Bryan Anderson was a teacher in the Edmonton Public School system for 34 years, retiring in 1998. He is currently in his fourth term as an Edmonton City Councillor and is actively involved in amateur sport.



Coun. Jane Batty

Volunteer since 1974 | Member since 1994
Director since 2001 – Term completed October 2007
Jane Batty is a City of Edmonton Councillor for Ward 4. She is a foundation member of the TELUS World of Science, and the Edmonton Glenora Rotary Club. Ms. Batty also served on numerous civic committees, including Capital Health/Municipal Government Advisory Council and the Kids in the Hall Resource Development Committee. She was a Northlands elected board member for six years prior to her election to city council.



Coun. Tony Caterina

Director since 2007

Tony Caterina is a City of Edmonton Councillor for Ward 3 and has first-hand knowledge of opportunities and issues in northeast Edmonton. His professional background is as a businessman and president of his own industrial supply company. As a member of the Board of Directors with Alberta Avenue Business Association, Tony worked to advance the goals of that Business Revitalization Zone. He is a member of a number of committees such as Community Services Committee and Quasi-Judicial Standing Committee.



Coun. Ron Hayter

Director since 2007

Ron Hayter is the longest serving Councillor in Edmonton's history, currently serving his 11th term. Mr. Hayter served as Founding Director of the 1978 Commonwealth Games and has acted in leadership roles at other major events in the city including seven international baseball championships. He was inducted into the Sports Halls of Fame municipally, provincially and federally, and played a key role in getting baseball into the Olympics. Councillor Hayter continues to be active on various Council and community committees.



Coun. Ed Gibbons

Director since 2007

Ed Gibbons was elected in 2001 as City Councillor for Ward 3. He is Co-chair of the Edmonton Salutes Committee and a member of the Rotary Club. He is involved in the Alberta Avenue Revitalization Initiative, the Fort Road Revitalization, North Edmonton Industrial Initiative and Borden Park Initiative. He served as president of the Edmonton Minor Hockey Association and past president of the Edmonton Federation of Community Leagues.



Coun. Kim Krushell

Director since 2007

Kim Krushell is a City of Edmonton Councillor and has served the residents of Ward 2 as their representative on City Council since 2004. She has played an active leadership role on City Council through her service on numerous Council committees, city-wide initiatives, including NextGen Committee and City of Edmonton Youth Council. Councillor Krushell is past-president of the Junior League of Edmonton.



Mayor Stephen Mandel

Director since 2004

Serving Alberta's Capital City, Mayor Stephen Mandel has led the City of Edmonton since October 2004. Mayor Mandel is a strong advocate for Alberta municipalities and, through key initiatives like Port Alberta, he continues to foster Edmonton's growing position as a hub for northern development, transportation, logistics, manufacturing and research. He remains active in the community and volunteers for such organizations as the Mazankowski Heart Institute, Heart and Stroke Foundation, Jewish Community Centre, and Allen Gray Continuing Care Centre.



Coun. Janice Melnychuk

Director since 2001 – term completed October 2007

Janice Melnychuk served as City Councillor for two terms. She was an elected school board trustee involved in many community projects. Janice participated on various civic committees, including the 118th Avenue Renewal Initiative, the Edmonton Community Drug Strategy, the Police Commission, and the Inter-City Forum on Social Policy and Inclusive Cities.



Coun. Mike Nickel

Director since 2004 – Term completed October 2007

Mike Nickel served as City of Edmonton Councillor for Ward 5. His family's marble and granite business, Western MarbleCraft, started the company's successful artisan stone and tile works retail division.

Honourary Directors

His Honour, the Honourable Norman Kwong, CM, AOE

Lieutenant-Governor of Alberta

The Honourable Ed Stelmach

Premier of Alberta

All Members of City Council,
City of Edmonton

Directors Representing the Province of Alberta



Thomas Lukaszuk, MLA

Director since 2007

Thomas Lukaszuk has been MLA for Edmonton-Castle Downs since 2001. Mr. Lukaszuk has served as chair on Assured Income for the Severely Handicapped (AISH) Review Committee and the Provincial Offences Procedure Review Steering Committee. He currently sits on a number of committees such as Standing Committee on Community Services and is the chair for the Human Rights, Citizenship and Multicultural Education Fund Advisory Committee, and is the co-chair for Consular Corps.



Gene Zwozdesky, MLA

Director since 2007 - Term completed June 2007

Elected to his fifth term as the MLA for Edmonton – Mill Creek in 2007, Mr. Zwozdesky is the Minister for Aboriginal Relations. He has also served as Associate Minister for Capital Planning, Minister of Education, Minister of Community Development, Associate Minister of Health and Wellness and Government House Leader, and was recently appointed Chair of the Treasury Capital Planning Committee. He has received many awards and recognitions, including the City of Edmonton Ambassador Award for Business and Tourism.



Susan Green

Volunteer since 2003 | Director since 2007

Susan Green has over 14 years of experience in a variety of senior roles in Alberta's public sector. Ms. Green has held the positions of VP External Relations at the University of Alberta; Vice President, Planning and Development at the Alberta Cancer Board and Executive Officer of the Alberta Cancer Foundation. Susan is presently involved with a number of humanitarian, arts and educational boards and organizations. In 2005, she received Alberta's Centennial Medal for Community and Professional Service and was named the 2006 Global TV Woman of Vision.



Ian McClelland

Director since 2006

Ian McClelland served as a Member of Parliament for Edmonton Southwest, from 1993 to 2000. From 2001 to 2004, he served as MLA. Prior to entering public office, he established an Edmonton-based photofinishing business, Colorfast Photofinishing.

Honourary Life Directors (HLDs) – Board



Jack L. Bailey



Jim Campbell



E.I. Clarke, Jr.



Dale Cole



Don M. Hamilton



W.J.M. (Bill) Henning



Harry Hole



Warren Holte



Don F. Jackson



Glen W. Lavold



Dale Lesniak



Mike Marples



A. Ross McBain



F.D. Lee, P.E.



JR Shaw



Allan A. Shenfield



Don H. Sprague



Dr. Robert Westbury



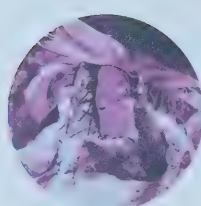
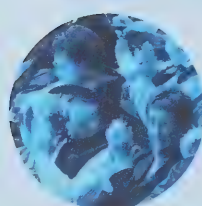
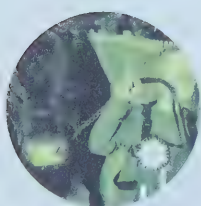
Gordon Wilson



Eric Young



Gerry Yuen



**AUDITED FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED DECEMBER 31, 2007

PREFACE

The financial review, which has been prepared to provide management's discussion and analysis of our financial condition and results of operations for the year ended December 31, 2007, should be read in conjunction with our audited consolidated financial statements and accompanying notes for the year ended December 31, 2007. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The statements and information in this financial review regarding potential future circumstances and developments are qualified by the inherent risks and uncertainties involved and may, therefore, differ materially from our actual future experience. There is no expectation or obligation to update or revise any forward-looking sections as a result of new information, future events or other circumstances.

ABOUT OUR BUSINESS

Who we are

Driving the Edmonton region to growth and prosperity is what Northlands is all about. As a leader in business, entertainment, and agriculture we generate \$355 million direct spending in our local economies. This economic impact is felt well beyond our regional borders within the Alberta economy as the programs and activities related to Northlands support \$1 billion in total economic impact (2006 figures).

As a vibrant not-for-profit organization we are one of Edmonton's largest employers with 300 full-time, over 1,800 part time staff, and 900 volunteers. The directors of the Northlands Board are unpaid elected volunteers and our shareholders, who are also volunteers, cannot receive dividends, nor can their shares appreciate in value. Together, we create unique economic opportunities for industry and are a catalyst for community development. We reinvest all our earnings back into the community by providing a wide range of programs through several key community facilities including Rexall Place, the AgriCom, and the Spectrum Racing Entertainment Centre. Our organization is framed around the following operating areas:

Agriculture

Through our Agriculture business unit we deliver programs and events that satisfy the demands and expectations of our agriculture and food sector stakeholders, generate a reasonable return on investment and build on our core competencies in event hosting and production. Northlands is a key partner for growth of the agriculture and food industry in Alberta.

Racing and Gaming

Racing and Gaming delivers an entertainment experience through pari-mutuel wagering via live, and simulcast horse racing at Northlands Park and more than 40 off-track betting sites throughout Alberta. Racing products, provided through a license granted by Horse Racing Alberta, are augmented by 632 slot and gaming machines as well as a full selection of food service and restaurant options. Gaming products are contingent on the horse racing operation and are regulated under a Racing Entertainment Centre license from the Alberta Gaming and Liquor Commission.

Facility Sales and Client Services

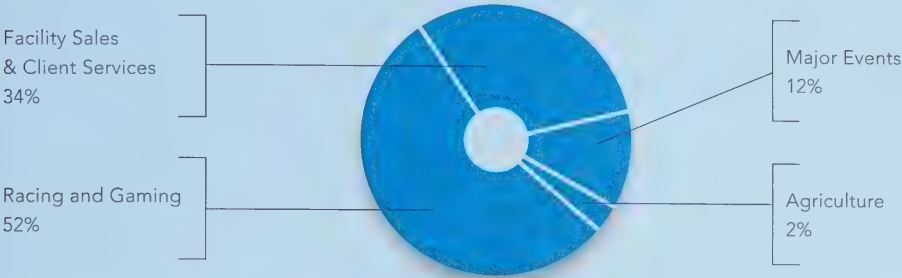
Facility Sales and Client Services is responsible for developing plans and strategies to optimize utilization of Northlands facilities for client-produced events such as consumer and commercial trade shows, concerts, family events, sporting events, catered events and assemblies.

Major Events

Major Events is dedicated to planning, managing and producing all aspects of two of Edmonton's largest annual events: Capital EX and Canadian Finals Rodeo. Major Events has effectively optimized strong

partnerships between external service providers, exhibitors, food services, internal implementation teams, and customer service programs in order to deliver an exceptional experience to our visitors during Northlands signature events.

Revenues by Operating Area



Business strategy and values

Our vision is to deliver exceptional experiences. We aim to be a leader in providing world-class entertainment, community service, business development, and agricultural programming in Edmonton and north-central Alberta. To achieve our vision and create the long-term success and sustainability of Northlands, we are focused on five key priorities:

1. Capital funding. We must work together to generate funding to support our facility expansion, Project Evolution.09, and sustain Northlands in the future. This will ensure we are in the strongest position to accomplish our goals to continue to create a positive economic and social impact in the Capital region.
2. Northlands-produced events. We must continue to deliver successful, relevant and well-attended events including Capital EX, Farmfair International and Canadian Finals Rodeo.
3. Stakeholder engagement and government relations. As an organization that relies heavily on community support, we must continue to build and maintain strong relationships with our stakeholders.
4. Rexall Place. We must consider the future with a new arena and emphasize Northlands’ crucial and ongoing role as a leader in the community and future of Edmonton’s event attraction and hosting.
5. Financial relationship with Horse Racing Alberta (HRA). We must develop a beneficial financial relationship with HRA to optimize the benefit for Northlands and the horse racing industry in Alberta.

Officers and Senior Management



Jerry Bouma
Chair



Andrew Huntley
First Vice-Chair



John Windwick
Second Vice-Chair



Ken Knowles
President



Mark Bamford
Vice President, Finance
Chief Financial Officer
Corporate Secretary
and Treasurer



Rey Wosar
Vice President,
Capital Development



Opal Blackstock
Vice President,
Program Development



Les Butler
Vice President,
Gaming



Trish Macdonald
Vice President,
Business and Community
Development

Performance highlights for 2007:

- We officially launched our facility expansion, Project Evolution.09, in October 2007. Contiguous show space totaling more than 500,000 square feet will continue to position Northlands as the premier exhibition venue in Western Canada. This expansion will help drive even more growth in the local economy contributing approximately \$595 million in total economic activity attributed to construction by 2010.
- Capital EX drew our third largest attendance to date. We experienced a 12 per cent increase over 2006 with 773,000 visitors contributing approximately \$59.5 million in economic impact.
- The Canadian Finals Rodeo exceeded business plan projections by \$244 thousand achieving \$725 thousand in net income. This result can be attributed to the introduction of a market segmentation strategy that realized greater revenue through an increase in average ticket prices.
- We participated in an alliance with the top three livestock shows in the country to increase cross promotion of Farmfair International. As a result, ours was the biggest show of the year with over 1,600 head of cattle and our greatest range of programming since we first introduced this show.
- This year we hosted 166 race days at our racing venue, Northlands Park, up from 151 race days in 2006. Race attendance reached 1.4 million, up from 1.2 million in 2006, and we paid out purses valued at \$19.8 million, up from \$17.2 million in 2006. To top it off, our track handle increased by 9.3 per cent to reach \$94.9 million in 2007.
- This year, Northlands moved from 36th position on the Pollstar Magazine rating of top 100 world-wide arena venues to a banner achievement of 12th in the world and third in Canada, validating our position as a world leader in attracting and producing the biggest concerts, shows and sporting events in Edmonton and north-central Alberta. A record number of concerts in Rexall Place (43) helped this area exceed business plan projections by \$3.9 million in net earnings.

Total annual revenues

Total annual revenues for 2007 were \$147 million, a 7.5 per cent increase over 2006.

	2007	2006	2005
	(\$'000s)	(\$'000s)	(\$'000s)
Major Events	17,819	16,724	16,038
Agriculture	2,332	2,490	1,974
Racing & Gaming	76,634	81,574	76,735
Facility Sales & Client Services	50,411	36,327	27,727
	147,196	137,115	122,474

Changes in revenues from the previous year's results:

- Major Events - \$1.1 million higher due to increased attendance at Capital EX
- Agriculture - Slightly lower revenues as a result of reduced cattle entries for Farmfair International
- Racing and Gaming - \$5 million lower due to decreased Slot Net Win
- Facility Sales and Client Services - \$14 million higher due to record number of concerts and other Rexall Place events

Operating Costs

Operating costs as a percentage of revenue in 2007 were 86.7%, compared to 89.4% in 2006.

	2007	2006	2005
Major Events	74%	79%	72%
Agriculture	108%	95%	102%
Racing & Gaming	98%	89%	98%
Facility Sales & Client Services	73%	76%	70%

Event contributions before grants, interest and depreciation

Event contributions before grants, interest and depreciation increased by \$2.8 million to \$4.2 million primarily due to the exceptional 2007 results in Facility Sales and Client Services.

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Major Events	2,785	1,892	2,789
Agriculture	(664)	(415)	(520)
Racing & Gaming	(3,850)	(2,811)	(2,955)
Facility Sales & Client Services	5,912	2,745	2,540
	4,183	1,411	1,854

Net earnings by business area

2007 net earnings at Northlands increased by 40 per cent over 2006 as a result of an increase in the number of concerts, a successful Capital EX and decreased operating costs achieved through identifying greater efficiencies.

	Net Increase (Decrease) (\$'000s)	Net Earnings (Loss) (\$'000s)
Major Events	767	2,625
Agriculture	(306)	(743)
Racing & Gaming	(1,400)	(253)
Facility Sales & Client Services	2,974	6,882
Other	(565)	(3,698)

Total assets and long-term financial liabilities

Our working capital surplus (the excess of current assets over current liabilities) decreased by \$917 thousand over 2006 and long-term debt decreased by \$133 thousand. Net assets increased by \$4.8 million to \$37.2 million and capital expenditures increased by \$8.4 million to \$18.3 million primarily due to our facility expansion, Project Evolution.09.

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Working capital surplus/(deficiency)	31,160	32,076	(7,498)
Long term debt (non-current)	2,404	2,537	2,629
Net assets	37,219	32,407	29,063
Capital expenditures	18,297	9,612	15,069

Detailed operating results

Net earnings (loss)

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Major Events	2,625	1,858	2,672
Agriculture	(743)	(437)	(544)
Racing & Gaming	(253)	1,147	431
Facility Sales & Client Services	6,882	3,908	3,679
Other	(3,698)	(3,133)	(2,278)
	4,813	3,343	3,960

NORTHLANDS BUSINESS AREAS

Major Events – Capital EX

Capital EX was extremely successful in 2007 with our third largest attendance to date. We experienced a 12 per cent increase over 2006 with 773 thousand visitors injecting over \$59.5 million in economic impact to the region.

We attribute this success to many factors. First, we gave attendees all sorts of reasons to come to Capital EX and provided them with great value. Our line-up of Walking With Dinosaurs, the interactive EXplore Butterflies as well as the Peking Acrobats, a troupe of China's most gifted tumblers, contortionists, jugglers and gymnasts proved to be the draw we were looking for. We also leveraged the Harry Potter phenomenon by adding the biggest Harry Potter book launch party hosted in Edmonton and enhanced our focus on educational entertainment by creating more interactive experiences for kids and their families through Family Fun Town presented by EPCOR. Sip! came into its own this year too as we turned it into a 10-day culinary and worldly wine exploration that was a hit with the media, creating the buzz we needed to capture greater attendance.

Despite our success in attracting bigger crowds, net income was \$322 thousand below business plan projections. There are two reasons for this. First, although we saw significant growth over 2006 attendance, we did not reach our 2007 targets and Super Pak sales for our lotteries were lower than anticipated.

Major Events – Canadian Finals Rodeo

The Canadian Finals Rodeo continues to surpass expectations and 2007 was no exception. The event exceeded business plan projections by \$244 thousand achieving \$725 thousand in net income. This performance can be attributed to the introduction of a market segmentation strategy that netted the highest ever advance ticket sales.

We also introduced new events to our already entertaining line up by adding the Edmonton Police Service K-9 Unit demonstration, the Coors Light \$7.75 ticket, the Super Sidekick Pack as a weekend afternoon promotion, entertainment by Asani – an Aboriginal women’s trio - and Cowboy Poker.

2007 also marked a format change for our Country Vocal Spotlight, one of Alberta’s largest country vocal talent contests. Contestant video entries increased by 26 per cent over 2006, as the number of video auditions jumped from 94 to 119 acts.

In addition to developing the event to attract a younger audience, Northlands will look for more ways to involve Edmonton-based corporations in CFR.

Agriculture

2007 was a repositioning year for agriculture. Despite our success in attracting bigger crowds, including breaking attendance records during Heritage Ranch Rodeo at Farmfair International, our Agriculture business unit performed marginally below business plan projections by \$434 thousand, achieving a net loss of \$725 thousand.

In 2007, Northlands embarked on an exciting chapter in our agricultural story, one that will grow our future position and relevance in this industry. To work toward this vision, we have introduced four pillars that will guide our growth strategy:

- Cattle – provide an opportunity for the Canadian industry to showcase high-quality animals, genetics, products and services;
- Equine – provide an opportunity for events and activities that showcase the equine business, education, competition and entertainment;
- Food and Value-Added – be a supporter and partner by providing opportunities to showcase innovative and industry building opportunities; and
- Technology and the Environment – to support the presentation of emerging scientific and technological agricultural products and services by growing the recently acquired Northlands Farm and Ranch Show.

Embracing this vision refreshed our approach to agricultural programming in 2007. We participated in an alliance with the top three livestock shows in the country to increase cross-promotion of Farmfair International. As a result, Farmfair International was the biggest Canadian purebred livestock event of the year with over 1,600 head of cattle and our greatest range of programming since we first introduced this show.

In 2007 we identified Argentina as a new market for Farmfair and partnered with AgriTours to promote our events to the Argentinean market for 2008. We also increased our presence in the US market and traveled to Scotland and Argentina on trade missions.

In support of our new agriculture strategy, we wanted to create an anchor equine event. As such, Northlands secured the rights to host the World Professional Chuckwagon Championship for three years commencing in 2008.

Racing and Gaming

In 2007, Racing and Gaming focused on areas where we could increase capacity and enhance the guest experience. This year we hosted 166 race days, up from 151 in 2006. Attendance reached 1.4 million, up from 1.2 million and we paid out purses valued at \$19.8 million, up from \$17.2 million in 2006. To top it off, our track handle increased by 9.3 per cent to reach \$94.9 million in 2007.

In May, we hosted the Edmonton Northlands Hunter Jumper Show in an effort to diversify our equine offering. Part of our negotiation included a \$31 thousand investment in a warm-up ring (cost-shared with the Edmonton Hunter Jumper Association), the temporary set-up of 600 stalls and changes in our regular racing schedule. We also invested \$1.1 million into horse racing infrastructure, funded by Horse Racing Alberta. This investment further enhances the guest experience at our venue.

Our transition to coin-free TITO (Ticket-in, Ticket Out) slot machines could not have gone better. We've benefited from a leaner operation as a result of these technology innovations. Unfortunately, we saw a 15 per cent decrease in Slot Net Win which resulted in a net income result of \$561 thousand below business plan projections. We attribute this reduction to the fact that two new casinos opened in the Edmonton market - one just five minutes from ours, as well as lost revenue attributed to machines that were out of operation as we transitioned to new TITO machines.

Facility Sales and Client Services

Facility Sales and Client Services had an exceptional year far surpassing expectations for 2007. A record number of concerts in Rexall Place (43) helped this area exceed business plan projections by \$3.9 million.

This year, Northlands moved from the 36th position on the Pollstar Magazine rating of the top 100 arena venues to a banner achievement of 12th in the world and third in Canada for 2007, validating our position as a world leader in attracting and producing the biggest concerts, shows and sporting events in Alberta. Northlands also:

- Broke records for concerts held each month. In July alone we hosted 12, beating our 1977 record of 10;
- Attracted a record number of multiple performance shows. Tim McGraw and Faith Hill, Keith Urban, Bon Jovi and Nickelback all hosted multiple dates;
- Set a new record for concert attendance with 472,519 fans (compared with 258,579 in 2006);
- Set all-time attendance records for the Ford World Men's Curling Championships with over 185,000 spectators taking in the nine-day event; and
- Attracted over 1,600 exhibitors and 34,000 retailers to the spring and fall editions of the Alberta Gift Show, making ours the second biggest Gift Show in Canada.

Overall, our trade and consumer shows experienced increased attendance and the conference and catering business remained strong. Project Evolution.09 is an exciting opportunity for us, as we plan for its completion we are focused on mitigating any customer service impacts that result from this level of construction on our site.

Marketing and Communications

Brand development was a significant focus for us in 2007, both for our summer exhibition, Capital EX, and for the corporate Northlands brand. To further engage the community in Capital EX we built a marketing campaign that positioned this event as Edmonton's biggest summer celebration. This yielded solid results at the gate and gained support from our partners and the media.

Toward the end of the year, we made a decision to invest an additional \$200 thousand in corporate brand development. This allowed us to create a higher profile for the Northlands story and highlighted our role as an economic driver, community leader and provider of world-class entertainment in Edmonton.

In line with our priorities for the year, we continued to build relationships with our stakeholders and increased efforts to engage them through our signature events, community outreach and targeted communications. To further enhance our relationships and build our profile as a key economic partner in the region we participated, as a sponsor, in the Mayor's Evening for the Arts, Art on the Block and Hockey Alberta's Centennial Celebration. These new activities created a whole new level of attention and understanding of Northlands role in the region.

Integrated marketing and public relations efforts helped drive the success of our signature events Capital EX, Canadian Finals Rodeo and Farmfair International in 2007. The 2007 Ford World Men's Curling Championships also brought our site and the city to life with international participants, media and visitors in early April. Profiling Northlands expertise in attracting and producing large national and international events was a focus for marketing and communications leading up to, and during this event. On-site hosting and participation, and our communications and advertising activities were aimed at stakeholder engagement and further brand building for Northlands.

Capital Projects, Maintenance and Technology Services

In 2007 we remained focused on capital redevelopment as a strategy for long-term sustainability and officially kicked off the \$145 million facility expansion, Project Evolution.09. We also completed over \$1 million in renovations at our racing venue, Northlands Park, and initiated significant renovations designed to enhance the customer experience in Rexall Place. This involved the complete renovation of our concession areas and in partnership with the Edmonton Oilers, the renewal of all of our dressing rooms.

This year we also completed work with HOK Sport (a consulting firm specializing in arena development) to understand the possibilities to re-create Rexall Place to current major arena venue standards. HOK's report concluded that a major facility renovation was possible. A broader community dialogue regarding the feasibility of moving forward with an integrated sports and entertainment complex in Edmonton is now taking place. This discussion was initiated by the Mayor of Edmonton under the umbrella of the Arena Feasibility Committee. This committee, which Northlands is taking an active role in, is working to identify the opportunity for a major integrated sports and entertainment complex for Edmonton.

Staffing

Northlands aims to be a preferred employer and maintain its position as an exciting and rewarding place to work. We want our employees to have opportunities to "be part of the show."

Recruitment is a top priority at Northlands since we need skilled staff members who can deliver the high level of service that exceeds guest expectations. Our retention strategy includes competitive compensation packages, unique employment opportunities, options for advancement, and training and development initiatives that will both attract and retain staff.

Volunteers

Without volunteers we could not operate. In 2007 our volunteers provided in excess of 30,000 hours of exceptional service during Capital EX, Farmfair International, Canadian Finals Rodeo and other events.

Our volunteers take on everything from hosting special needs children during Monday Morning Magic at Capital EX to driving courtesy vehicles, to evaluating entrants and staging during our successful talent competitions. These opportunities are not only enjoyable, but present volunteers with opportunities to expand their skill sets in key areas. Our focus today is on highlighting the benefits of volunteering through Northlands so we can attract more youth and diversity in our volunteer base. We are also working to strengthen everyone's understanding of the Canadian Code for Volunteer Involvement and its values.

Operating expenses by area

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Major Events	15,034	14,832	13,249
Agriculture	2,996	2,905	2,494
Racing & Gaming	80,484	84,385	79,690
Facility Sales & Client Services	44,498	33,582	25,187
	143,012	135,704	120,620

Other expenses

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Grounds and building maintenance	5,174	5,078	4,651
Administration and corporate programs	4,449	4,085	3,607
Sales and marketing, net of corporate sponsorship revenue	3,060	2,508	2,022
Depreciation and interest expenses	1,015	1,462	1,248
	13,698	13,133	11,528

Grant income

	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Alberta Lottery Fund			
- Agriculture & Economic Initiatives	10,000	10,000	9,250
Horse Racing Alberta	5,724	6,386	5,837
City of Edmonton Support Agreement	2,337	2,291	2,242
	18,061	18,677	17,329

OUTLOOK 2008

This section contains forward-looking statements, which are not historical facts but are based on certain assumptions and reflect our current expectations for our business through the eyes of management. Northlands cautions readers not to put undue reliance on forward-looking statements since there are unforeseen factors that can affect their accuracy. While outlook statements are valuable in providing insight into the year ahead, it is important to recognize that with any assumptions or predictions there is always the risk that forward-looking statements will not prove to be accurate.

2007 was an outstanding year for Northlands. Overall results are far better than we anticipated a year ago and we believe Alberta's strong economy has a lot to do with this performance. We are anticipating an impressive, although less robust year in 2008, as we will feel the impact of slower economic growth in rural communities around the province. The impact on the forestry industry, rural cattle ranchers and the implications caused by depressed natural gas prices and reduced drilling activity will lessen the discretionary income of an important segment of our event audience.

The relative strength of the Canadian dollar has a significant impact on concert business and as a result we will continue to see high volumes of acts come through Northlands in 2008 with correspondingly strong ticket sales. We do not anticipate that we will once again see the record-breaking year experienced in 2007.

Agriculture's new overarching strategy and events, evolving programming and communications activities, supplemented with unforeseen expenditures related to our existing program inventory, may adversely impact 2008 results as we deliver expanded programming. The strategy to engage industry within each of the four pillars will create a long-term vision for Northlands Agriculture that will be industry relevant and guide reinvestment that supports the development of partnerships and sustainable growth opportunities. Although expenditure forecasts may be higher in certain business areas, we anticipate the Northlands Farm & Ranch Show (NFRS) will add a significant contribution of over \$400 thousand gross to budget in the first year under Northlands management. In addition, a newly developed integrated communications plan will add \$20 thousand in expenditures.

Expanded Capital EX programming resonated with the community in 2007 and we anticipate further growth in 2008, with a projection of 815,000 attendees (773,000 attended in 2007). To support this projection we will continue to develop programming that is a motivator for guests and develop stronger tourism ties with local business partners in an effort to attract visitors from outside the Capital region. Our shift to make Family Fun Town a green, environmentally-friendly midway is also expected to draw increased crowds.

Strong customer commitment provides a solid platform to grow audiences and community support for Canadian Finals Rodeo. We will support an increased audience in 2008 by promoting internet sales at all price points. In 2009, when additional space is available in the facility expansion, specialized offerings will be added to engage corporations through hosting opportunities and new fans through targeted events and activities.

There are 26 casinos in Alberta and seven in the Edmonton marketplace now offering a variety of gaming and non-gaming amenities that appeal to and attract the Northlands player market. Increased competition will continue to affect 2008 Slots revenue at Northlands Park.

Edmontonians, Albertans and Canadians are inundated with lotteries and we believe the market for lottery programs is reaching its saturation point. In 2008 we anticipate that higher prize costs and higher marketing costs will result in less revenue being directed to charities and organizations. For this reason, Northlands will focus on a review of our Lottery Program to maximize benefits to Northern Alberta communities.

Financial and capital management/liquidity

Consolidated assets were \$181 million as of December 31, 2007, compared to \$152 million in 2006, representing an increase of \$29 million. This increase results from additional funding provided by the Province of Alberta for our facility expansion, as well as the increase in capital assets.

For several years now we have been working with various groups to address our long-term facility needs. The City of Edmonton has committed over \$11 million for improvements to Rexall Place (reviewed annually) from 2006 through 2013. In 2007, Horse Racing Alberta invested close to \$1.1 million into horse racing infrastructure. The Province of Alberta provided an additional \$15 million, increasing their total support for our facility expansion to \$50 million.

Consolidated statement of cash flow

Cash provided by (used in)	2007 (\$'000s)	2006 (\$'000s)	2005 (\$'000s)
Cash and Cash equivalents, beginning of year	17,860	12,975	13,364
Operating activities	9,404	11,594	13,161
Investing and financial activities	(8,923)	(6,709)	(13,550)
Cash and Cash equivalents, end of year	18,341	17,860	12,975

Capital projects

The majority of capital expenditures will be dedicated to our facility expansion, Project Evolution.09. Other 2008 expenditures include completion of a Sportsbook in the Spectrum, beginning the replacement of the mechanical facilities in the AgriCom as these are at the end of their useful life cycle, and numerous technology and telephony upgrades throughout the site.

In 2007, we received an additional \$15 million in provincial funding to assist with the expansion of our trade and consumer show facility. We continue to work with the Government of Canada to secure additional grant funding. To best manage financing for the expansion project we are working to secure long-term financing for any unfunded portion of the project. We currently project this debt could range between \$55 and \$80 million.

Major maintenance

Northlands has an obligation to maintain and renew the existing facilities and site. In 2008 significant projects will include the refurbishment of lower bowl seating in Rexall Place, resurfacing of the mall floors in the AgriCom, Slot Room upgrades in the Spectrum, and replacement of an aged sewer infrastructure.

Anticipated maintenance expenditures over the next five years are shown in the following table. We are currently assessing alternative sources of funding for these projects, as expenditures are restricted by the availability of sustainable cash generated from operations, supplemented by operating lines of credit.

	Major Maintenance (\$'000s)	Capital (\$'000s)	Total Projected Expenditures (\$'000s)
2008	3,077	61,474	64,551
2009	3,407	80,227	83,634
2010	3,309	10,837	14,146
2011	2,490	4,655	7,145
2012	2,544	5,136	7,680
	14,827	162,329	177,156

Net funds generated by Northlands to federal and provincial agencies

We continue to be a net contributor to federal and provincial agencies. The following table outlines net funds generated by Northlands over the last 10 years through our various gaming activities.

	\$ Millions	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	10 Year Cumulative
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
HRA ¹ /ARC ² fees & levies	6.6	6.1	5.7	5.0	4.8	4.8	4.6	4.2	4.1	4.1	4.6	50.5
AGLC ³ gaming proceeds	40.7	47.9	39.1	36.2	30.6	23.2	13.2	11.8	9.6	7.3		259.6
Federal tax	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.7		7.4
Generated by Northlands	48.3	54.9	45.6	41.9	36.1	28.7	18.5	16.6	14.3	12.6		317.5
Discretionary grant/ pari-mutuel tax rebate	1.2	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.8		8.1
HRA Operating Grant	5.4	6.4	5.8	7.4	6.3	4.8	-	-	-	-		36.1
HRA Capital Grant	1.1⁴	1.9	2.2	2.0	-	-	-	-	-	-		7.2
Alberta Lottery grants	10.1	10.1	9.4	7.1	7.1	7.1	7.1	7.1	7.2	6.6		78.9
Received by Northlands	17.8	19.2	18.2	17.2	14.2	12.7	7.9	7.8	7.9	7.4		130.3
Net funds generated by Northlands	30.5	35.7	27.4	24.7	21.9	16.0	10.6	8.8	6.4	5.2		187.2

Excludes City of Edmonton support payments of \$2.2 million per annum which are used solely to fund a portion of the financial concessions given to the Edmonton Oilers.

AGLC gaming proceeds for 1997-2001 are net of funds (2001: \$6.0 million; 2000: \$5.6 million; 1999: \$4.5 million; 1998: \$3.4 million; 1997: \$823 thousand) retained by Northlands to fund racing operations and capital improvements.

¹HRA (Horse Racing Alberta)

²ARC (Alberta Racing Commission)

³AGLC (Alberta Gaming and Liquor Commission)

⁴2007 funds are not included in the Consolidated Financial Statements, as the contribution was outstanding at December 31, 2007

Northlands has an agreement with the City of Edmonton regarding the sharing of profits from the operations of Rexall Place. The agreement specifies that Northlands will share operating profits from Rexall Place based on a formula wherein the City will receive 20% of the excess of the current year's net earnings of Rexall Place less the average of the previous five year's net earnings, adjusted for inflation. The total profit share paid to the City for fiscal 2004 to 2006 is \$1.1 million. Per the agreement with the City, the proceeds will be held in reserve, to assist in funding facility capital improvements at Rexall Place. The projected profit share to be paid to the City of Edmonton, for the 2007 operating year, is \$894 thousand.

Risk and risk management

Management recognizes that, despite outstanding results for 2007, certain risks and uncertainties could have a negative effect on the financial condition or results of the operation of Northlands. Capitalizing on new opportunities for growth is key to our long-term success. We must continue to look for innovative ways to balance plans for the future while overcoming the challenges and uncertainties we face.

In 2008, we will increase productivity while maintaining a consistent and high quality of service. We constantly consider changes in programming, modified work practices or adjustments to the annual event calendar to provide the best service at the lowest possible cost.

General economic conditions

Economic conditions affect the demand for our products and services and influence the type of events and activities we deliver through our facilities. Since Northlands major activities revolve around entertainment and trade and consumer shows, our ticket sales, gate receipts and general levels of participation are closely connected to the amount of disposable income that is available in Edmonton and north-central Alberta.

Alberta's strong economy had a lot to do with our performance in 2007, providing Northlands with some major advantages: concert bookings reached an all-time high, we experienced solid demand for catered events and attendance at our trade and consumer shows was up overall. We are anticipating good performance in 2008 but do not expect to see the outstanding performance delivered this year. We will feel the impact of slower growth in rural communities around the province. The impacts on the forestry industry, rural cattle ranchers and the implications caused by depressed natural gas prices and reduced drilling activity will lessen the discretionary income of an important segment of our event audience. That said, we do not anticipate a slowdown in attendance at home and renovation shows due to the continuing housing industry boom in the region.

The strong economy has also produced a highly competitive job market that has led to increased labour costs and a need to enhance our recruitment and retention efforts. As well, we continue to see rising construction costs as labour, material and equipment costs increase. Fluctuations in utilities costs have been an ongoing concern for us even though we have a supply agreement with Gas Alberta Inc. that allows us to participate in seasonal hedge programs to avoid exposure to high natural gas prices.

Northlands constantly monitors economic conditions, including interest rates that could affect our cash flow over time. We continually implement strategies to mitigate risks, working hard to get the best value for every dollar spent, and adjust our expenditure plans in relation to net earnings.

Management of facilities and construction risks

Site and facility development through Project Evolution.09 is underway and remains a high priority for Northlands. While the facility expansion is ongoing, our facilities continue to operate at capacity, although we are working to mitigate scheduling challenges anticipated when we decommission the Sportex. As with any project of this size, there are imminent risks. Temporary space restrictions and customer inconveniences put us at risk for a loss of business, along with decreased attendance at shows, and the resulting loss of revenue from parking and concessions. Although there has been a bit of a leveling off in some segments of the Alberta construction industry, we are experiencing challenges such as increased wait times for delivery of materials and performance of services.

Facility redevelopment has an impact on all core businesses and collaboration is key as we work to develop solutions and mitigate the risks of construction. We are managing these risks through strategic measures such as regular status reporting, planning, project phasing, timely ordering of equipment and materials, adherence to safety procedures and guidelines, and ongoing and increased communication with all stakeholders and customers using the site. We have also taken significant steps to deliver the level of customer service our guests have come to expect from Northlands. We have added increased site signage, created additional walkways and enhanced shuttle service, all at an increased operating cost.

The scheduling of facility use to maximize revenues is always complex. The use of facilities at Northlands peaks during certain times of the year. The AgriCom is fully booked during the trade show seasons of mid-January to May and September to mid-November. There are significant challenges involved in scheduling events at Rexall Place in view of our contractual obligations to the Edmonton Oilers/Oil Kings. Increased event activity and commitments to our clients can also affect cost effective scheduling of facility maintenance.

Finding the incremental dollars to support an aging infrastructure and to maintain our facilities is an essential function that is closely related to our ongoing financial success.

New integrated sports and entertainment complex

In mid 2007, the Mayor of Edmonton initiated a broader community dialogue regarding the feasibility of moving forward with an integrated sports and entertainment complex for Edmonton under the umbrella of the Arena Feasibility Committee. This Committee, which Northlands is taking an active leadership role in, is working to identify the opportunity for a major integrated complex for Edmonton. The outcome of this Committee's recommendation could affect Northlands business model in one of four ways, including: a significant re-creation of Rexall Place, construction of a new building on our site, construction of a new building operated by Northlands off-site or construction of a new building offsite that is not operated by Northlands.

Customer satisfaction/operational excellence

In 2008 we will partner with Xerox Global Services to introduce Lean Six Sigma, a rigorous, data-driven program to drive continuous quality improvements within Northlands. This is a comprehensive and flexible system for achieving, sustaining and maximizing business success. At Northlands, this partnership will help us put the infrastructure and discipline in place to make business improvement a business imperative. Through Lean Six Sigma we intend to reduce costs, increase market share, improve customer satisfaction, get programs and services to market faster and ultimately increase revenue and profits.

Environmental conditions

Northlands has been a leader in energy management and resource conservation since 1984. Every year, we find new ways to reduce energy use, costs, and greenhouse gas emissions. We have progressive programs to divert waste from our landfills including cardboard, paper, beverage container and fluorescent tube recycling and have also shown leadership by supporting and participating in sustainable agriculture and environmental stewardship initiatives. Northlands has championed strategies to reduce the environmental impact of our operation and offered training and development resources to others in Alberta's agriculture and food industry.

Because green operations are quickly becoming a customer expectation, Northlands will put even more focus on sustainability in 2008, adding two new priorities in this area. We will initiate a purchasing protocol to ensure our suppliers are managing the packaging and other excess materials that are shipped to Northlands. Some of our vendors, such as bakeries and meat suppliers, have already taken proactive steps in this regard. Through Capital EX we will introduce one of the first green powered midways in the country and our Family Fun Town will be a showcase for fully recyclable products as well as biodegradable condiments and cutlery.

Increasing competition

Maintaining and growing our business requires Northlands to position our products and services competitively against other agencies and organizations throughout Western Canada and beyond our national borders. We continually measure our offerings against others in competitive categories, working to improve and lead in the marketplace.

Capital EX is the biggest summer event in Edmonton; however, we compete with 21 other festivals. The number and diversity of event choices means that the exhibition may not have the social standing that it may have in other communities where there are fewer options for premium entertainment. Northlands is proud to be a part of our culturally diverse and rich community and we continuously look for ways to partner with other festivals and events in an effort to strengthen our program. We have to create compelling reasons for individuals and families to attend Capital EX and are committed to the ongoing development of new programming as a driver for increased attendance.

2008 programming for Canadian Finals Rodeo will be similar to 2007, yet we continue to develop new programming elements that will be introduced in 2009 when more venue space becomes available for

this major event. We anticipate the general economic conditions that could affect agriculture may have a similar impact on Canadian Finals Rodeo. Next year marks year five of our 10-year contract to run this event and our relationship with the Canadian Professional Rodeo Association remains strong. As part of our contract requirements we will increase both the contestant purse and the number of stock contractors.

Our Agriculture business unit has added two significant events to the calendar for 2008, the Northlands Farm and Ranch Show and Northlands Horse Power. While opportunities exist to build a strong and significant overall impact for these events, inherent challenges must also be addressed. In late 2007, Northlands purchased the Alberta Farm and Ranch Show and will unveil the rebranded Northlands Farm and Ranch Show in early 2008. Attendance for this event, under the former brand, has been decreasing over the past two years. To mitigate these declines, significant efforts have been made to increase the number of industry exhibitors to pique additional audience interest.

Northlands Horse Power will run over a five-day period in late August. The event's programming will incorporate various equine competitions, clinics and an equine focused trade show. This event will also feature the World Professional Chuckwagon Association's (WPCA) Dodge World Championship. The dates of the event coincide with Labour Day weekend. As such, this scheduling has the potential to limit overall attendance figures as many prospective members of our target audience will be returning home from the summer holiday season. Although the chuckwagon event has the increased prestige of its championship designation, the shift from its previous Capital EX schedule may reduce overall attendance, potentially impacting walk-up sales.

The trade and consumer show industry continues to grow across North America with 22 new or expansion projects underway. To remain competitive, and to assist our clients in realizing business growth, we have undertaken a significant expansion to our trade and consumer show facilities. This expansion, scheduled for completion in the fall of 2009, will position us as the premier venue of its kind in Western Canada and as the largest contiguous space in Canada outside of Toronto.

The Slots at Northlands Park will be challenged in 2008 as a result of a diluted player market and increased competition for the gaming dollar. There are now 26 casinos in Alberta and seven in the Edmonton marketplace, all offering a variety of gaming and non-gaming amenities that appeal to and attract the Northlands player. To remain competitive in the new gaming landscape Northlands will work to expand its Player's Club membership and maintain its commitment to strong marketing, event programming and exemplary customer service in this venue.

Staffing

Labour market issues in Edmonton are no different than any other market in Alberta and continue to be one of our greatest challenges as a result of the vibrant provincial economy. While our organization is benefiting from the experience and commitment of a strong complement of full-time staff, many of our activities are labour intensive and require us to hire large numbers of difficult to attract part-time workers.

We continue to try new and innovative ways of attracting the part-time staff required during our busy season. Throughout the year, we consistently re-evaluate the dynamic needs of our current and prospect employees and respond with competitive compensation packages that differentiate us from other Edmonton employers.

Like many organizations, Northlands staff is made up of many baby boomers approaching the end of their careers. Our full-time staff of 300 employees includes 76 individuals who are eligible for retirement in the next five years. For this reason, succession planning is a priority for Northlands.

Strategic partnerships and corporate sponsorships

Building and strengthening strategic partnerships is a critical future-focused objective for Northlands, as we continue to serve residents in the Edmonton region and north-central Alberta. Northlands is also looking beyond our borders as we continue to cultivate key business relationships in targeted markets such as Great Britain and Argentina.

Northlands, and the broader community we serve, benefit greatly from our key relationships with Horse Racing Alberta, the Canadian Professional Rodeo Association, the Edmonton Oilers, the City of Edmonton, and Edmonton Tourism.

Northlands continues to foster our longstanding relationship with Horse Racing Alberta (HRA). At the end of 2008, our five-year racing license with the HRA expires. Over the course of this agreement, Horse Racing Alberta has committed to provide capital grant funding to Northlands. Under the provisions of the agreement, we have invested \$2.2-million per year on capital.

We are proud to partner with the City of Edmonton and Edmonton Tourism as we continue to profile Edmonton abroad by attracting and producing world-class events including the 2007 Ford World Men's Curling Championships. We are committed to playing our part in making Edmonton not only a prosperous city, but a livable one too.

One of our major anchor tenants at Rexall Place is the Edmonton Oilers Hockey Club, and we are proud of our long association with the team. For over three decades, Northlands has worked collaboratively with Oilers ownership in order to secure hockey's future in our city. We look forward to continuing this strong working relationship with the team's new owner, Rexall Sports Group.

Northlands generated significant sponsorship revenue both in cash and contributions of goods and services in 2007. Most notably, Northlands welcomed EnCana to our family of major sponsors. EnCana's support of Kiyanaw, our aboriginal showcase during Capital EX, was an important part of the program's growth. EnCana was also a sponsor of the Capital EX Clean-up Program, Canadian Finals Rodeo and Farmfair International.

The further development of focused programming at Capital EX created new sponsorship inventory and brought new sponsors to the organization. Allan Dale Trailers of Red Deer increased their sponsorship involvement in Farmfair's Supreme Show making the show the richest of its kind in Canada.

Without volunteers we could not operate. In 2007, our volunteers contributed in excess of 30,000 hours of service to Northlands programs and events. Recognizing the ongoing contributions of our volunteers is important to Northlands as we know these dedicated individuals are critical to ensuring our tradition of commitment to the community is fulfilled, now, and into the future.

Communications

Northlands re-branding efforts have shown results, particularly with the impact and acceptance of Capital EX in 2007. Northlands corporate re-brand also shows promise and has served to provide a platform to reposition the organization in the minds of our stakeholders, clients and customers. Brand building is an ongoing process and one that requires attention and discipline. It also requires investment. The foundation has been laid for progress in brand development but a concerted effort will be required to move the marker with our key audiences and stakeholders. An increased investment in 2008 will assist in brand development with targeted groups to build support and advocacy for Northlands among these key stakeholders.

MANAGEMENT REPORT

The accompanying consolidated financial statements of Edmonton Northlands (operating as Northlands) and all the information in this annual report are the responsibility of Management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by Management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, Management has chosen those it deems most appropriate in the circumstances. The significant accounting policies used are described in note 2 to the consolidated statements. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

Northlands maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee.

The Finance and Audit Committee is appointed by the Board, which is comprised of seven members, none of which are employees of the Company. The Committee meets periodically with Management and the independent auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the auditor's report.

The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholder members. The Committee also considers, for review by the Board and approval by the shareholder members, the engagement or re-appointment of the auditors.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with generally accepted auditing standards on behalf of the shareholder members. Grant Thornton LLP has full and unrestricted access to the Finance and Audit Committee, with or without management being present.



President



Vice President, Finance
Chief Financial Officer,
Corporate Secretary
and Treasurer

AUDITORS' REPORT

To the Members of Edmonton Northlands:

We have audited the consolidated balance sheet of Edmonton Northlands (operating as Northlands) as at December 31, 2007 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Canada
March 10, 2008

Grant Thornton LLP
Chartered Accountants

Edmonton Northlands

CONSOLIDATED BALANCE SHEET

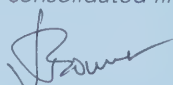
As at December 31

	2007 \$	2006 \$
ASSETS		
Current		
Cash and cash equivalents	18,341,104	17,860,196
Restricted cash <i>[note 2]</i>	42,936,259	36,241,033
Accounts receivable	8,759,527	7,648,244
Inventories	489,549	452,624
Prepaid expenses	2,193,775	1,280,726
Total current assets	72,720,214	63,482,823
Capital assets <i>[note 5]</i>	107,596,462	88,170,133
Intangible assets <i>[note 6]</i>	665,267	-
Goodwill <i>[note 7]</i>	287,214	-
	181,269,157	151,652,956
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	26,968,722	15,773,126
Deferred revenue	1,416,136	3,042,188
Funds held for others <i>[note 8]</i>	11,142,571	9,586,901
Current portion of long-term debt <i>[note 9]</i>	2,033,038	3,004,161
Total current liabilities	41,560,467	31,406,376
Long-term debt <i>[note 9]</i>	2,403,561	2,536,600
Contributions for expansion of facilities and capital debt retirement <i>[note 10]</i>	100,085,814	85,303,341
	144,049,842	119,246,317
Net Assets		
Share capital <i>[note 12]</i>	1,390	1,420
Invested in capital assets	48,650,963	32,519,220
Accumulated operating deficit	(11,433,038)	(3,970,683)
Internally restricted	-	3,856,682
Total net assets	37,219,315	32,406,639
	181,269,157	151,652,956

Commitments and contingencies *[note 11]*

See accompanying notes to the consolidated financial statements.

On behalf of the Board:


Director


Director

Edmonton Northlands

CONSOLIDATED STATEMENT OF EARNINGS

Year ended December 31

	2007 \$	2006 \$
Revenue <i>[note 13]</i>	147,195,962	137,114,539
Expenses <i>[note 13]</i>	143,012,750	135,703,691
Event contributions <i>[note 13]</i>	4,183,212	1,410,848
Other revenues and expenses:		
General grounds and building maintenance	5,173,636	5,077,555
General, administration and corporate programs	4,449,380	4,084,735
Sales and marketing	3,060,367	2,508,190
Depreciation of capital assets, net of amortization of capital contributions	4,834,899	4,957,079
Depreciation of intangibles	47,519	-
Interest (revenue) expense <i>[note 14]</i>	(134,180)	116,680
Operating loss before undernoted	13,248,409	15,333,391
Grant income <i>[note 15]</i>	18,061,115	18,676,660
Net earnings <i>[note 13]</i>	4,812,706	3,343,269

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Invested in capital assets \$	Accumulated operating deficit \$	Internally restricted \$	Share capital \$	2007 \$	2006 \$
Balance, beginning of year	32,519,220	(3,970,683)	3,856,682	1,420	32,406,639	29,063,375
Net earnings	—	4,812,706	—	—	4,812,706	3,343,269
Depreciation, net of amortization of capital contributions	(4,834,899)	4,834,899	—	—	—	—
Depreciation of intangibles	(47,519)	47,519	—	—	—	—
Inter-fund transfer	—	3,856,682	(3,856,682)	—	—	—
Investment in capital assets and intangibles funded from operations, net of related debt and capital contributions	19,910,000	(19,910,000)	—	—	—	—
Repayment of long-term debt	1,104,161	(1,104,161)	—	—	—	—
(Decrease) increase in share capital	—	—	—	(30)	(30)	(5)
Balance, end of year	48,650,963	(11,433,038)	—	1,390	37,219,315	32,406,639

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31

	2007 \$	2006 \$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net earnings	4,812,706	3,343,269
Items not affecting cash:		
Depreciation of capital assets	7,224,083	7,377,242
Depreciation of intangible assets	47,519	-
Amortization of contributions	(2,390,111)	(2,416,335)
	9,694,197	8,304,176
(Increase) decrease in non-cash working capital related to operations:		
Accounts receivable	(1,111,283)	(3,009,439)
Inventories	(36,925)	(86,139)
Prepaid expenses	(913,049)	(764,535)
Accounts payable and accrued liabilities	1,841,816	376,972
Deferred revenue	(1,626,053)	2,807,304
Funds held for others	1,555,670	3,965,715
Cash provided from operating activities	9,404,373	11,594,054
INVESTING AND FINANCING ACTIVITIES		
Purchase of capital assets	(17,296,632)	(9,612,385)
Acquisition	(1,000,000)	-
Contributions for expansion of facilities and capital debt retirement	17,172,584	40,049,040
Increase in long term debt	-	2,915,004
Repayment of long-term debt	(1,104,161)	(3,819,199)
Decrease in share capital	(30)	(5)
Cash restricted for non-current purposes	(6,695,226)	(36,241,033)
Cash used in investing and financing activities	(8,923,465)	(6,708,578)
Net increase in cash and cash equivalents	480,908	4,885,476
Cash and cash equivalents, beginning of year	17,860,196	12,974,720
Cash and cash equivalents, end of year	18,341,104	17,860,196

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

1. PURPOSE OF THE ORGANIZATION

Edmonton Northlands, formerly The Edmonton Exhibition Association Limited which was incorporated in 1908, is the successor to the Edmonton Agricultural Society of 1879 and The Edmonton Industrial Exhibition Association of 1899. During 2006, Edmonton Northlands adopted the operating name, Northlands. Edmonton Northlands is incorporated under Part 9 of the Companies Act of Alberta as a non-profit organization. Edmonton Northlands' purpose is to provide programs and facilities to benefit the residents of Northern Alberta in the fields of agriculture, racing and gaming, trade shows, exhibitions, entertainment and community service. The Directors of Edmonton Northlands are elected volunteers who are not paid for their services. The shareholders of Edmonton Northlands, who are also volunteers, cannot receive dividends, nor can their shares appreciate in value. Shares cannot be sold, held by persons residing South of Township 34 in the Province of Alberta or by the estates of deceased shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the policies set out below. To prepare financial statements that conform with generally accepted accounting principles, management must make estimates and assumptions to arrive at the reported amounts of assets, liabilities, revenue and expenses during the reporting period and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Principles of consolidation

The consolidated financial statements include the accounts of Edmonton Northlands ("the Company" or "Northlands"), and the Company's 100% interest in the Alberta Teletheatre Network (ATN).

Cash and cash equivalents

Cash and cash equivalents include balances with banks net of outstanding cheques and highly liquid investments with original maturities of three months or less at the time of purchase.

Restricted cash

Restricted cash consists of funds received that have been designated for use towards expenditures on a specific capital project. These funds are recorded as restricted as the organization will not be using them to fund current operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling price less estimated selling costs. Cost is determined using the weighted average cost method. Supplies are valued at the lower of cost and replacement cost.

Capital assets

Capital assets are carried at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Useful life</u>
Rexall Place and AgriCom	50 years
Spectrum	25 years
Other buildings and improvements	25 years
Equipment	3 to 20 years

Depreciation is charged on constructed capital assets from the date that the projects are substantially complete. Depreciation is not charged on land and properties acquired for future expansion.

Intangibles

Intangible assets acquired individually or as part of a group of other assets are initially recognized and measured at cost. Intangible assets with finite useful lives are amortized over their useful lives. Intangible assets with infinite useful lives are reviewed for impairment annually. The Organization has no intangible assets with infinite useful lives.

The amortization methods and estimated useful lives of intangibles assets, which are reviewed annually, are as follows:

Exhibitor relationships	5 years
Sponsor relationships	5 years
Show name and marketing materials	5 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill represents the excess of the purchase price of an acquisition over the fair value of the underlying net assets acquired at the date of acquisition. Goodwill arising from acquisition is not amortized and is tested for impairment annually, or more frequently if events or changes in circumstances indicate the asset might be impaired. Impairment is tested by comparing the carrying amount of the reporting unit, including goodwill, with its fair value. Fair value is determined using the discounted, estimated future operating cash flows of the reporting unit. When the fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is not considered to be impaired. When the carrying value of the reporting unit exceeds its fair value, the implied fair value of the reporting unit's goodwill, determined in the same manner as the value of goodwill is determined in a business combination, is compared with its carrying amount to measure the amount of the impairment loss, if any. A reporting unit comprises business operations with similar economic characteristics and strategies, and is the level of reporting at which goodwill is tested for impairment.

Capital leases

Leases that substantially transfer all of the benefits and risks of ownership of property to the Company are accounted for as capital leases whereby the asset and related obligation are recorded to reflect the acquisition and financing of the capital assets. Equipment recorded under capital leases is depreciated on the same basis as described above.

Revenue recognition

Racing and gaming revenues consist of pari-mutuel commissions and gaming wins net of patron winnings. Racing and gaming revenue is recognized at the time amounts are wagered.

Event production revenue is recognized when the event occurs. Proceeds received in advance for events produced by Northlands are recorded as deferred revenue. Proceeds received in advance for events produced by third parties are recorded as funds held for others.

The Company follows the deferral method of accounting for grants and contributions. Amounts externally restricted for capital purposes, including the acquisition of property for expansion, construction of facilities or retirement of capital debt, are credited to "Contributions for expansion of facilities and capital debt retirement" and are amortized into income each year on the same basis as the related assets are depreciated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted contributions are recognized as revenue when received or receivable. Externally restricted grants and contributions are deferred and recognized into income at the time the related expenses are incurred.

Contributed services

A substantial number of unpaid volunteers make significant contributions of their time in developing the Company's programs. The value of this contributed time is not reflected in these financial statements since objective measurement or valuation is not readily determinable.

Non-monetary transactions

The revenue and expenses resulting from non-monetary transactions have been recorded at the fair market value of the asset or service received, as it is the most readily determinable. During 2007, the Company provided and received services and products in kind of approximately \$410,807 (2006 - \$420,162).

Pension costs

The Company participates in a multi-employer plan covering substantially all permanent, full-time employees. The pension plan is accounted for as a defined contribution plan whereby the Company's required contributions are recognized in the period in which they are incurred. Included in expense for the year-end is \$1,382,509 (2006 - \$1,221,193) in respect of pension contributions payable for eligible employees.

Income tax status

The Company is a not-for-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

Future accounting changes – Capital Disclosure

In November 2006, CICA Handbook Section 1535, Capital Disclosures, was issued. This standard requires the disclosure of both qualitative and quantitative information that enables financial statement users to evaluate the objectives policies and processes for managing capital. This new standard will be implemented by the organization effective January 1, 2008. The Organization is currently assessing the impact of this section on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future accounting changes – Financial Instruments

During fiscal 2007, CICA Handbook Section 3862, Financial Instruments – Disclosures, and CICA Handbook Section 3863, Financial Instruments – Presentation were issued, and which will replace CICA Handbook Section 3861 Financial Instruments – Presentation and Disclosure. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. The new presentation standard carries forward the former presentation requirements. The Organization is currently assessing the impact these new standards will have on its consolidated financial statements.

Future accounting changes - Inventory

During fiscal 2007, CICA Handbook Section 3031, Inventories was issued. This section relates to the accounting for inventories and revises and enhances the requirements for assigning costs to inventories. The Organization is currently assessing the impact of the implementation of this section on its consolidated financial statements.

Revenue risk

Northlands earns revenue from a wide variety of customers and has no concentration of revenue risk with any particular individual, company or other entity except for the racing and gaming revenues which are subject to an agreement between the Company, Alberta Gaming and Liquor Commission (AGLC) and Horse Racing Alberta (HRA) representing 34% (2006 – 42%) of total revenues. AGLC holds a termination clause with slot machines that they may be removed with seven days notice. The Company does not have any other customers whose revenues exceed 10% of total revenues.

3. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2007, Northlands adopted the provisions of CICA Handbook Section 1506 "Accounting Changes". This section proscribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. There was no material effect on Northlands' financial statements when the revised standard was adopted on January 1, 2007.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

3. CHANGE IN ACCOUNTING POLICY (CONTINUED)

Effective January 1, 2007, Northlands adopted the new provisions prescribed by the AcSB, CICA Handbook Section 3855 "Financial Instruments – Recognition and Measurement", CICA Handbook Section 3861 "Financial Instruments – Disclosure and Presentation", CICA Handbook Section 3865 "Hedges", and CICA Handbook Section 3251 "Equity". Under the new standards, all financial assets must be classified as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities must be classified as held-for-trading or other. These sections also establish standards for the presentation of financial instruments, equity and changes in equity.

Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in net earnings. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading will be measured at amortized cost. Available-for-sale financial assets will be measured at fair value with changes in fair value recognized directly in net assets.

The Company classified the relevant financial assets and liabilities in accordance with the new provisions as follows;

Held for trading

- Cash
- Restricted Cash
- Funds held in trust

Loans and receivables

- Accounts receivables

Other financial liabilities

- Accounts payable and accrued liabilities
- Long term debt
- Funds held for others
- Accrued interest on long term debt

All derivative financial instruments are reported on the balance sheet at fair value with changes in fair value recognized in net earnings, unless the derivative is part of a hedging relationship that qualifies as a fair value hedge, cash flow hedge or hedge of a net investment in a self-sustaining foreign relationship. The amounts recognized in net assets will be reclassified to net earnings in the periods in which net earnings are affected by the variability in the cash flows of the hedged item. In a hedge of a net investment in a self-sustaining foreign operation, the effective portion of the gain or loss on the hedging item is recognized in net assets and the ineffective portion is recognized in net earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

3. CHANGE IN ACCOUNTING POLICY (CONTINUED)

The application of these new standards did not have an effect on the Company's consolidated financial statements. These standards have been applied without restatement of prior periods. As of December 31, 2007 and for the year then ended, the Company had no adjustments to net assets.

4. FINANCIAL INSTRUMENTS

Financial instruments of Northlands include cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, funds held for others and long-term debt.

Fair values of financial assets and liabilities

The fair values of financial instruments excluding long-term debt approximate their carrying amount due to the short-term maturity of these instruments. The fair value of long-term debt approximates its carrying value as management believes the respective interest rates are commensurate with the credit, interest rate and prepayment risks involved.

Credit risk

The Company's accounts receivable are due from a diverse group of customers and as such, are subject to normal credit risks. At December 31, 2007, 15.0% (2006 – 33.9%) of accounts receivable is due from a single third party. In addition, accounts receivable include 32.0% (2006 – 8.5%) due from HRA. The Company does not anticipate any difficulties in collecting these amounts.

Interest rate risk

The Company is exposed to interest rate cash flow risk on its floating rate debt, as the required cash flows to services the debt will fluctuate, as a result of changes in market rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

5. CAPITAL ASSETS

	2007		2006	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
	\$	\$	\$	\$
Rexall Place	31,276,537	20,867,522	31,147,102	20,071,266
AgriCom	39,329,466	18,980,646	39,329,466	18,175,754
Spectrum	40,202,774	25,201,825	40,203,958	23,260,205
Other buildings and improvements	27,613,621	17,559,971	27,736,500	16,554,919
Equipment	44,792,990	33,265,775	41,396,063	30,581,469
Construction in progress	25,101,906	—	1,876,727	—
Properties acquired for future expansion	15,154,907	—	15,123,930	—
	223,472,201	115,875,739	196,813,746	108,643,613
Net book value	107,596,462		88,170,133	

Included in equipment is equipment under capital lease with a cost of \$216,069 (2006 - \$216,069) and accumulated depreciation of \$141,811 (2006 - \$123,246).

City of Edmonton land lease

The land on which the Company's facilities are located, including properties acquired for future expansion, is held in the name of the City of Edmonton (the "City") and leased to the Company for a rent of \$1 per year. The lease expires in 2034. At the expiration or earlier termination of the lease, the buildings and improvements on the leased lands will revert to the City. Provided that the Company is in good standing, the City is obligated to grant a renewal lease for a further term of 15 years at a cost, and upon other terms and conditions, to be agreed upon by the parties.

6. INTANGIBLES

	2007		2006	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
	\$	\$	\$	\$
Exhibitor relationships	456,960	30,464	-	-
Sponsor relationships	39,421	2,628	-	-
Show name and marketing materials	216,405	14,427	-	-
	712,786	47,519	-	-
Net book value	665,267		-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

7. GOODWILL

	2007 \$	2006 \$
Balance, beginning of year	-	-
Acquisitions <i>[note 19]</i>	287,214	-
Balance, end of year	287,214	-

8. FUNDS HELD FOR OTHERS

Funds held for others include advance ticket sales, telephone account betting deposits, employee savings plan deposits, and other amounts held on behalf of other parties. Employee savings plan deposits bear interest at prime less 1.5 % and are collateralized by a letter of credit from the Company's bank. The Company holds \$11,142,571 (2006 - \$9,586,901) on behalf of third parties.

9. LONG-TERM DEBT

	2007 \$	2006 \$
City of Edmonton loan for the Rexall Place scoreboard due September 30, 2021, interest rate 6.0%, annual installments of \$270,272 principal and interest. <i>[note 18]</i>	2,512,176	2,624,951
Term bank loan primarily for the Spectrum, interest at prime, monthly installments until December 30, 2009 of \$75,000 (2006-\$75,000) plus interest.	1,900,000	2,875,000
Capital leases with terms of 36 months, interest rates at 8.17%, and average total monthly payments of \$1,259.	24,423	40,810
	4,436,599	5,540,761
Amount due within one year	2,033,038	3,004,161
	2,403,561	2,536,600

The City of Edmonton loan for the Rexall Place scoreboard is collateralized by the scoreboard which has a net book value of \$2,247,500 (2006 - \$2,402,500).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

9. LONG-TERM DEBT (CONTINUED)

At December 31, 2007 the prime bank lending rate was 6.00% (2006 – 6.00%) and the Company had available an undrawn demand operating loan for \$5,000,000. The bank holds, as collateral for the operating and term loans, a general security agreement providing a first security interest on all property except for the scoreboard for which it has a second charge, a general assignment of book debts, an assignment of the Edmonton Investors Group Ltd. License Agreement and an assignment of the Company's Alberta Lottery grant proceeds. The term loan agreements contain certain covenants that allow the bank to demand repayment. Therefore the term loan is classified as current.

The fair market value of the City of Edmonton loan at December 31, 2007 has been estimated using year-end market rates. This fair market value, which would result in a loss of \$24,736 for 2007 (2006 – \$nil) approximates the amount the Company would pay if the loan agreement was closed out at December 31, 2007.

The principal repayments of these borrowings to continue under the terms, assuming that demand repayment of the specific term borrowing does not occur is as scheduled below:

	Long-term debt \$	Capital lease payments \$	Total \$
2008	1,019,542	15,110	1,034,652
2009	1,026,715	11,334	1,038,049
2010	234,317	—	234,317
2011	142,376	—	142,376
2012	150,919	—	150,919
Thereafter	1,838,306	—	1,838,306
	4,412,175	26,444	4,438,619
Less related interest	—	(2,020)	(2,020)
	4,412,175	24,424	4,436,599

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

10. CONTRIBUTIONS FOR EXPANSION OF FACILITIES AND CAPITAL DEBT RETIREMENT

Accumulated restricted contributions received less amounts amortized are summarized as follows:

	2007 \$	2006 \$
Grants and contributions		
Province of Alberta - Lotteries	66,132,114	66,132,114
Province of Alberta - other	79,814,993	62,642,409
Horse Racing Alberta	6,215,680	6,215,680
Government of Canada	9,100,000	9,100,000
City of Edmonton	5,971,971	5,971,971
Total grants and contributions received	167,234,758	150,062,174
Accumulated amortization	67,148,944	64,758,833
Unamortized grants and contributions	100,085,814	85,303,341

Additions to contributions in 2007 totaled \$17,172,584 (2006 - \$40,049,040). Included in unamortized contributions at December 31, 2007 is \$52,930,370 of contributions, of which \$42,590,678 (2006 - \$36,241,033) are unspent. These contributions are not being amortized, as they have been contributed to support facility expansion, which is under construction.

11. COMMITMENTS AND CONTINGENCIES

Operating leases

The Company has entered into equipment operating leases with terms up to seven years. Minimum lease payments for future years are:

	\$
2008	397,000
2009	175,000
2010	21,000

Litigation

During the normal course of business activity the Company is occasionally involved in litigation proceedings. At December 31, 2007, certain lawsuits and other claims were pending against the Company. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material effect on the Company's consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

Other

Northlands has an agreement with the City of Edmonton regarding the sharing of profits from the operations of Rexall Place. The agreement specifies that Northlands will share operating profits from Rexall Place based on a formula wherein the City will receive 20% of the excess of the current year's net earnings of Rexall Place less the average of the previous 5 year's net earnings, adjusted for inflation, of Rexall Place. The total profit share paid to the City for fiscal 2004 to 2006 is \$1,076,321. Per the agreement with the City, the proceeds will be held in reserve, to assist in funding facility capital improvements at Rexall Place

12. SHARE CAPITAL

	2007 \$	2006 \$
Authorized		
300 Shares of \$5 each		
Issued		
278 Shares (2006 - 284 shares)	1,390	1,420

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

13. BUSINESS UNITS

The Company organizes itself into four primary business units based on the nature of the products or services provided.

	2007 \$	2006 \$
Revenues		
Northlands Major Events	17,818,655	16,724,300
Agriculture	2,332,341	2,489,838
Racing and Gaming	76,634,227	81,573,537
Facility Sales and Client Services	50,410,739	36,326,864
	<u>147,195,962</u>	<u>137,114,539</u>
Expenses		
Northlands Major Events	15,034,192	14,832,563
Agriculture	2,996,027	2,904,630
Racing and Gaming	80,484,060	84,384,901
Facility Sales and Client Services	44,498,471	33,581,597
	<u>143,012,750</u>	<u>135,703,691</u>
Event contributions before related grants, interest and depreciation		
Northlands Major Events	2,784,463	1,891,737
Agriculture	(663,686)	(414,792)
Racing and Gaming	(3,849,833)	(2,811,364)
Facility Sales and Client Services	5,912,268	2,745,267
	<u>4,183,212</u>	<u>1,410,848</u>
Business unit net earnings (loss)		
Northlands Major Events	2,624,558	1,857,878
Agriculture	(743,276)	(437,429)
Racing and Gaming	(253,157)	1,147,046
Facility Sales and Client Services	6,882,470	3,908,503
Indirect grounds, general expenses and other income	(3,697,889)	(3,132,729)
	<u>4,812,706</u>	<u>3,343,269</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

14. INTEREST EXPENSE

	2007 \$	2006 \$
Long-term debt interest	366,725	294,036
Short-term debt interest and interest income earned	(500,905)	(177,356)
	(134,180)	116,680

15. GRANT INCOME

	2007 \$	2006 \$
Alberta Lottery Fund – Agricultural and Economic Initiatives	10,000,000	10,000,000
Horse Racing Alberta [note 17]	5,724,173	6,385,540
City of Edmonton Support Agreement	2,336,942	2,291,120
	18,061,115	18,676,660

Alberta Lottery Fund

The Alberta Government in recognition of Northlands' contribution to the economy, the enhancement of agricultural lifestyle in the province through Alberta's agricultural societies, funds these organizations by way of annual funding.

City of Edmonton Support Agreement

The City of Edmonton Support Agreement provides a contribution towards Rexall Place operating cost of \$183,333 per month or \$2,200,000 per year until May 12, 2013. The \$2,200,000 is adjusted for inflation annually, commencing January 1, 2005. The Company will be required to renegotiate the agreement with the City if there is a material change in the financial status of Northlands or Rexall Place during the term of the agreement.

Other Grants

Northlands receives funding from various levels of Government. Grants received during the year are applied as follows:

Nature of Grant	Applied to	2007 \$	2006 \$
Agricultural Grants	Agricultural and Commercial Events	203,116	203,413
City of Edmonton	Canadian Finals Rodeo	100,000	100,000
Alberta Lottery Fund	Canadian Finals Rodeo	250,000	250,000
		553,116	553,413

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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16. RACING ENTERTAINMENT CENTRE (REC)

During the year the Company's REC had net win of \$40,722,340 (2006 - \$47,946,413) which has been applied to event production revenue – racing. Of this balance, \$34,613,989 (2006 - \$41,086,299) was remitted to the AGLC which has been applied to event production expenses – racing.

The Company has a Racing Entertainment Centre Agreement (RECA) with the AGLC which provides for an 85% AGLC, 15% Northlands net slot win split, with the Company's share of the proceeds to offset expenses of the slot operations. As part of the RECA the Company is required to maintain a Class 'A' racing license as well as conduct a minimum of 100 days of live racing. The RECA contains a seven day termination clause that may be exercised at AGLC's discretion.

The slot net win from the Company's REC operation has been distributed as follows:

	2007	2006
Northlands	15.00%	15.00%
Alberta Gaming and Liquor Commission	33.33%	33.33%
Horse Racing Alberta	51.67%	51.67%

17. HORSE RACING ALBERTA (HRA)

HRA general fees, levies and gaming commissions paid by the Company total \$5,214,967 (2006 - \$4,737,221) and have been applied to event production expenses – racing. The discretionary grant received from HRA of 0.95% of the gross handle totals \$900,782 (2006 - \$817,933) and has been applied to event production revenues – racing. HRA also provided a discretionary grant to ATN for \$300,000 to offset racing expenses.

During the year the Company received an operating grant based on 13.33% of slot net win totaling \$5,424,173 (2006 - \$6,385,540). The operating grant is received to offset the expenses of ongoing racing activities.

In addition, the Company received a capital grant totaling \$1,088,148 (2006 - \$1,857,801) to fund various capital projects throughout the Spectrum. The capital grant will be applied to contributions for expansion of facilities and capital debt retirement once the funds are received by Horse Racing Alberta.

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December 31, 2007

18. EDMONTON INVESTORS GROUP LTD. LICENSE

On April 5, 2004, the License Agreement was renewed with the Edmonton Investors Group Limited (EIGL), effective July 1, 2004 for a period of ten years. Under the terms of this agreement, Northlands continues the management and operations of Rexall Place. The License Agreement grants EIGL the right to receive all Oiler game revenues, including net Oiler food and beverage contributions. EIGL is also entitled to all building advertising and sponsorship revenues, suite rental revenues, Oiler ticket surtax revenues as well the Rexall Place parking lot revenue. Northlands is responsible for building operating and capital costs, including the building event costs related to the playing of professional hockey. Under the Agreement, Northlands receives from EIGL building rent of \$1 per annum plus a contribution towards operating costs of \$73,180 per month or \$878,166 per annum for the period July 1, 2004 to June 30, 2014. The EIGL contributions are adjusted annually based on the Consumer Price Index (2007 - \$1,003,829; 2006 - \$921,845).

The License Agreement includes an additional annual contribution of \$270,272 for the use of the scoreboard until September 30, 2021. EIGL has agreed to pay a lesser amount than the loan should the Edmonton Oilers cease to play hockey in Rexall Place during the term of the loan.

19. ACQUISITION

On September 28, 2007, the Company acquired the Alberta Farm & Ranch Show from dmg world media (Canada) Inc. The base purchase price was \$1,000,000 with a contingent consideration of up to \$250,000 depending on exhibitor retention over the next two years.

Professional fees related to the acquisition amounting to \$22,650 have been expensed in the current year. The acquisition of Alberta Farm & Ranch Show was accounted for using the purchase method of accounting and these consolidated financial statements reflect the results of operation of Alberta Farm & Ranch Show from the date of acquisition.

The purchase price has been allocated as follows:

	2007 \$
Exhibitor relationships	456,960
Sponsor relationships	39,421
Show name and marketing materials	216,405
Goodwill	287,214
	<u>1,000,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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20. SUBSEQUENT EVENT

On January 23, 2008 Northlands entered into an agreement to acquire the assets of City Centre Raceway GP Ltd. related to the Edmonton Grand Prix. The assets acquired include equipment, contracts, intellectual property, prepaid expenses, leases and licenses applicable to the Edmonton Grand Prix racing event. The purchase price was \$3,349,000 and was financed from grant monies received.

21. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.



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